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# ***Daily Report***

# **China**

FBIS-CHI-89-065

Thursday

6 April 1989

# Daily Report

## China

FBIS-CHI-89-065

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**General**

**'News Analysis' Views Gorbachev's Britain Trip**  
*OW0604043889 Beijing XINHUA in English*  
*0254 GMT 5 Apr 89*

[*"News Analysis: Gorbachev's Britain Trip—Tough Task for 'Peace Offensive' (by Fu Quansheng)"—XINHUA headline*]

[Text] London, April 5 (XINHUA)—Soviet leader Mikhail Gorbachev travels to Britain today in what is described as part of his peace offensive. But he is expected to encounter British Prime Minister Margaret Thatcher's hardline approach.

Gorbachev's peace offensive began last December when he announced a unilateral arms reduction of 10 percent at the United Nations General Assembly.

Some Western politicians responded positively to his disarmament initiative and much of the public in the West has called him a harbinger of peace and no longer regards Russia as a threat to the West.

But Thatcher has warned her Western allies against dropping their defensive guard amid the "Gorbomania".

She has called the Soviet Union "the potential aggressor" which still has numerical superiority in conventional weapons over the West even after the 10 percent cuts. On Monday, two days before Gorbachev's arrival in London, Foreign Secretary Sir Geoffrey Howe warned that the "Russian bear" still looms large as a threat to European security.

Gorbachev obviously has a hard job to persuade the "iron lady" that his new arms control thinking will help bring about a world free of nuclear weapons.

Thatcher's tough stance, however, will not be softened unless Gorbachev brings with him something new to match the demands by the West, and Britain in particular, that the Russians' conventional arms superiority be eliminated.

What Thatcher has in mind is that the Russians accept her idea for sharp cuts in Soviet conventional weapons to a numerical equality between the East and West, while at the same time, the West steps up "modernization" of its short-range nuclear missiles to maintain deterrence.

Howe has made it clear that Britain is preparing to take a strong line with the Soviet leader. He said on the BBC Panorama program on Monday that the government will not be swayed by Moscow's attempt to influence public opinion in the West.

Gorbachev has to seek new, acceptable approaches to bridge the gap that exists in their different stances on arms control if he wants to maintain the momentum of his widely-publicized peace initiative.

A Soviet official recently hinted that Gorbachev might offer Thatcher some new concessions and that these would be unveiled in Gorbachev's speech at London Guildhall on Friday.

The Soviet leader's peace initiative serves his domestic needs because his "perestroika" (restructuring) at home needs resources to improve Soviet living standards.

Two key resources he has to tap are the military budget and investment from abroad.

Observers said the arms reductions would allow the Soviets to switch some desperately needed money to commercial consumption and change the Soviet image as a military superpower to win goodwill abroad.

Gorbachev himself told Irish Prime Minister Charles Haughey during a stop in Ireland that he hoped a new era would be ushered in for East-West trade.

British officials also regard Gorbachev's visit to Britain as an "extra special trade opportunity" that should help put flesh on the bones of political goodwill.

But Thatcher is said to still be skeptical of Gorbachev's reforms and has adopted a more hardline approach to providing help to the Soviet Union than other West European leaders despite her praise for the "encouraging development" in the Soviet Union.

That leaves Gorbachev with the hard job of explaining to his host the irreversibility of his reforms to win her unreserved support.

There will surely be forceful and energetic exchanges between the two leaders. They first met in 1984 and the British prime minister then described Gorbachev as a man to do business with.

Whether she still holds that opinion of him will be seen starting today when the Soviet leader arrives in London.

**NATO Divided on Approach of 40th Anniversary**  
*OW0564235089 Beijing XINHUA in English*  
*0731 GMT 3 Apr 89*

[*"News Analysis: NATO Divided As It Turns 40 Years Old (by Wu Jin)"—XINHUA headline*]

[Text] Washington, April 2 (XINHUA)—As the North Atlantic Treaty Organization is approaching its fifth decade this week, the Western bloc founded initially to "contain Soviet military threat" is at a loss about how to respond to Moscow's current peace offensive.

Differences which exist mainly between the United States and its allies in Europe have postponed until May a NATO summit to mark the 40th anniversary of the organization, which falls on Tuesday, when the new U.S. Government is supposed to reveal new policies towards the Soviet Union.

Due to various historical reasons, the world situation has turned for better since mid-80s with remarkable easing of tensions between the United States and the Soviet Union and the military blocs the two superpowers lead.

The Soviet Union, in line with "the new thinking" of Mikhail Gorbachev, has undertaken dramatic adjustment in its foreign policies and demonstrated its sincerity in disarmament and settlement of regional conflicts.

For the United States, those changes brought hopes and opportunities as well as problems and challenges. For one thing, they set the United States and its allies in Europe at odds in evaluating the Soviet strategy and formulating their counter-policies.

U.S. press reported that during his February trip to Western Europe, Secretary of State James Baker found there is a "Gorby fever" with European allies, talks of the Soviet disarmament and other peace initiatives being "immensely attractive" and "a sharp reduction in the sense of danger from across the Iron Curtain".

Prior to Baker's visit, Federal German Foreign Minister Hans-Dietrich Genscher stressed that "Europe must find its peaceful order" and pointedly mocked "those who adhere outdated hostile preconceptions" as "opposing the tide of history."

British Prime Minister Margaret Thatcher, well known for her staunch anti-Soviet views, had asserted that "the cold war is over."

By contrast, the United States responded to Soviet peace initiatives with strong reservations. While the Bush administration is still reviewing policies related to Soviet Union, government officials spoke on Soviet matters with a tone of caution.

National Security Adviser Brent Scowcroft said that "I think that the cold war is not over" while Baker cautioned that "fascinating" as Soviet initiatives might be, "the Soviet Union remains a heavily armed superpower."

In the United States, some seem to have over-estimated the difficulties in the Soviet Union and the advantage on the U.S. side and as a result, they advocate policies of arm twisting. One of the government's tentative ideas, disclosed by the press recently, is to demand that the Soviet Union loosen control on East European nations and allow them to practice "democratization" and "liberalization" in exchange for Western guarantee of not infiltrating into Eastern Europe to the detriment of the Soviets' security.

The right-wingers like columnist Patrick Buchanan are more outspoken in advocating that the West should "keep our powder dry" so as to force the Soviet Union to remould its social system.

On the other side, the West European nations, out of their experience of the two disastrous world wars and living at the forefront of the nuclear confrontation, have generally given positive response to the Soviet policy changes and some of its peace initiatives and called for the reduction of Soviet military threat through disarmament to consolidate detente.

The U.S. senior officials, besides favoring continued development of the Strategic Defense Initiative, have insisted on scheduled modernization of the short-range nuclear weapons deployed in Western Europe, while the plan is opposed in different degrees by Federal Germany, Belgium and Italy.

Thanks to detente, the West Europeans have also sped up the development of their economic and political relations with the Soviet Union and East European countries and in defiance of the U.S. opposition, they have offered a sizable amount of loans and capital to the Soviet Union and demanded relaxation of controls on their exports to the nation. But this has stirred obvious anxiety and dissatisfaction on the part of the United States.

It is still unknown how much consideration the Bush administration, in reviewing and drafting Soviet policies, will give to the opinions and desire of the European allies and to what degree those nations will accept the new U.S. marching orders.

Therefore, a U.S. journal said 1989 is "the challenging NATO year" for the United States and a forum held in Washington has this theme, "Does NATO have a future? NATO at 40, confronting a changing world."

These comments have more or less betrayed the concerns of Americans about the reshaping of the Western alliance in the coming years.

**NATO Secretary on Soviet Potential, Intentions**  
OW0604025589 Beijing XINHUA in English  
1830 GMT 4 Dec 89

[Text] Brussels, April 4 (XINHUA)—The Soviet Union now has "peaceful intention" in reforming its own system, society, and economy, NATO Secretary General Manfred Worner said here today.

The Soviet Union does not want to wage a war, but its potentials remain risks to NATO, Worner told a press conference after the celebrations at the NATO headquarters for the 40th anniversary of the NATO founding.

There has been a change in the Soviet Union, and it's a historical development.

Worner described these intentions of the Soviet Union as "peaceful" ones.

He said, "Gorbachev tries to reform his country's system, society, and economy. He doesn't want to wage a war. So to look at the intentions alone, we would not feel threat."

He continued, "However, there is another factor, that is the factor of potentials, capabilities, and their potential is still undiminished."

Even if Gorbachev does what he announced, to unilaterally reduce by around 10 percent of the Soviet Union's military potential, "he still has much more than we have."

"So looking at that potential, there is still a risk, because intentions may change."

That is why disarmament efforts are primarily a matter of security, not of budget. They serve to improve NATO security, and not to save money.

NATO and the Warsaw Pact are not far apart in their first phase proposals in the CFE talks (negotiations on conventional arms in Europe).

"Why not try to get Gorbachev down to the same level" with NATO in conventional arms, and "once we have reached this level we can go further down."

In another speech delivered earlier this morning at the NATO birthday celebration, Worner stressed, "Whatever the team in power in the Soviet Union and whatever its intentions, we will need credible defence strength, which leaves no prospect for military adventurism."

Referring to the American military presence in Europe, he argued at the press conference, "I vividly contradict with those who say our public in West Germany wants the Americans to leave. The latest poll indicates 78 percent wishing the Americans to stay."

There is not the slightest sign of anti-Americanism. And the American presence is an important part in the transatlantic relations, he noted.

Worner also outlined the purposes of the forthcoming NATO summit on May 29 and 30.

The first purpose is the comprehensive concept and the second is the political message on the way ahead. That means describing NATO objectives, especially in further more improving East-West relations and the way how to do it.

#### IMF Says World Economy Improved in 1988

*OW0604014089 Beijing XINHUA in English  
1456 GMT 3 Apr 89*

[Text] Washington, April 3 (XINHUA)— The International Monetary Fund (IMF) said in its semi-annual report released today that world economic conditions improved significantly in 1988.

In the report, entitled "World Economic Outlook: Prospects and Policy Issues," the IMF said that world output expanded by 4.1 percent in 1988, almost one percentage point more than in 1987 and the highest rate of growth since 1984.

Concerning growth in industrial countries, the report said that with output growth strengthened, world trade expanded and significant progress made in reducing external imbalances among major industrial countries in 1988. Real GNP rose by 3.9 percent in the United States, 5.7 percent in Japan, 3.4 to 3.8 percent in West Germany, France and Italy, and 4.5 percent in both Britain and Canada.

As for developing countries, the IMF said that real GNP as a whole is now estimated to have increased by almost 4.5 percent in 1988, somewhat faster than previously expected and the highest since 1980.

However, despite strong growth performance largely concentrated in newly developed Asian economies, including China and India, economic activity was still weaker in most Third World countries with continuing debt-servicing problems and a sharp increase in the average rate of inflation in 1988.

The IMF report at the same time pointed out that several aspects of the current economic situation continue to demand the attention of policymakers, such as concern about inflationary pressures in some large industrial countries which have led to a substantial tightening of monetary supply, the significantly slowed adjustment of external imbalances, and the debt problems facing many developing countries.

The report projected that the current account deficit of both developed and developing countries may increase further over the next two years.

#### 'News Analysis' on Shamir Washington Visit

*OW0604051689 Beijing XINHUA in English  
0737 GMT 5 Apr 89*

[Text] "News Analysis: Comply to Historical Trend or Stubbornly Cling to Wrong Position?—on Shamir's Washington Visit (by Zhou Zexin and Li Sizhi)"—XINHUA headline]

[Text] Cairo, April 4 (XINHUA)—Israeli Premier Yitzhak Shamir, faced with mounting difficulties, started a ten-day visit to Washington today to discuss Middle East issues with U.S. officials, but little substance is expected to emerge from his visit.

About three weeks ago, Israeli Foreign Minister Moshe Arens was sent to Washington for a "reconnaissance mission," to sound out the new U.S. Mideast policy after President George Bush took office, and to pressure the U.S. to cut off the dialogue it started with the Palestine Liberation Organization last December.

However, Arens was surprised by U.S. Secretary of State James Baker, who asked him to convey a message to Shamir, urging the Israeli prime minister to bring "new ideas" when he visits the U.S. to push the Middle East peace process forward.

Shamir, a Likud hardliner, said Sunday that he had prepared "new proposals" for his visit, including local elections for Palestinians in the West Bank and Gaza Strip and negotiations with Palestinians elected for limited "self-rule" there.

At the same time, however, he categorically rejected an independent Palestinian state and talks with the PLO and reaffirmed that he would never make territorial concessions.

Shamir's proposals were immediately criticized. An editorial Monday in "THE EGYPTIAN GAZETTE" said that if such an offer is the outcome of Shamir's trip to Washington, the present regional and international endeavors to bring Israelis and Palestinians close to agreement at a negotiating table will have been in vain.

Shamir is attempting to "sidestep the Palestine Liberation Organization and play the West Bank and Gaza residents against the PLO," the editorial said.

Shamir's refusal of talks with the PLO, of withdrawal from the occupied territories and of an international Mideast peace conference under U.N. auspices has long proved untenable.

As Shamir staged a conference of world Jewish leaders in Jerusalem last month to show their solidarity with Israel, a top-level Israeli military intelligence assessment surfaced, rejecting his tough position on the PLO. The report concluded that the PLO would inevitably be part of any Middle East peace settlement.

Shamir came out to deny the report but was immediately exposed for telling a lie in the denial, landing himself in a very awkward position.

Hours before Shamir's departure for the U.S. some 1,000 Israelis of the Peace Now movement demonstrated through downtown Jerusalem, shouting slogans such as "talk with the PLO" and "two states for two peoples."

In a poll last October, 65 percent of Israelis favored "trading land for peace." In another poll this February, 53 percent favored dialogue with the PLO. Even some Labor ministers in the Israeli coalition cabinet have called for dialogue with the PLO.

Both Arabs and Israelis now desire peace. After suffering serious human and material losses in the five wars in the past 41 years, the moderates seem to have now gained an upper hand in the Arab world.

On March 25, leaders of Egypt, Jordan and the PLO, meeting in Ismailia, Egypt, to coordinate their position, called for an early convocation of an international Mideast peace conference under the auspices of the five permanent member states of the U.N. Security Council with the participation of all parties involved in the conflict, including the PLO.

Egyptian President Husni Mubarak is now in Washington, discussing with U.S. officials the "best formula" for settling the Middle East issue.

The European Community states are sympathetic to the PLO. British Prime Minister Margaret Thatcher, during a visit to Morocco last week, urged Israel to start talks with the PLO. French President Francois Mitterrand's recent statement that he would like to meet PLO Chairman Yasir 'Arafat might imply an eventual recognition of the PLO by France.

All this shows that Israel has been further isolated and put in a dilemma.

Many people believe that whether the Middle East issue can be settled in a just manner depends on the attitude of Israel, which is supported by the United States.

The U.S. has recently taken a more realistic attitude toward the PLO after 'Arafat announced the organization's renunciation of terrorism and recognition of Israel's right to exist. The Bush administration has begun and continued dialogue with the PLO despite Israel's complaints.

U.S. acceptance of Security Council Resolution 242, trading land for peace, protecting the legitimate political right of the Palestinian people and guaranteeing Israel's security has been welcomed by the PLO.

Baker said last month the U.S. had reached the conclusion that Israeli dialogue with the PLO was the only alternative. On March 25, Bush indicated that Israeli dialogue with the PLO might produce "positive results."

However, Bush also indicated recently that he would not bring pressure to bear on Israel. Whether the Bush administration will rush into a diplomatic initiative is still unknown as it struggles to formulate a Middle East policy.

Will the U.S. pressure Shamir? Would Shamir listen to U.S. attempts at persuasion? Taking into consideration Shamir's stubborn stance in the past and his vow never to negotiate with the PLO, many political analysts here believe that no substantial progress will likely come out of this trip.

## United States & Canada

### U.S. Welcomes Soviet Statements in Cuba

OW0504120389 Beijing XINHUA in English  
0654 GMT 5 Apr 89

[Text] Washington, April 4 (XINHUA)—The U.S. Government has expressed welcome to the latest Soviet position on opposition to "export of revolution" in Central America.

Gennadiy Gerasimov, the Soviet Foreign Ministry spokesman, told reporters in Havana last night that "we are against export of revolution" in Central America. He is accompanying Soviet leader Mikhail Gorbachev on a visit to Cuba.

Gerasimov's announcement appears in conformity with Gorbachev's "new political thinking" which rules out use of force in international relations.

White House spokesman Marlin Fitzwater described Gerasimov's remark as "very encouraging". "We hope that they reflect the new thinking in the Soviet Union," he said.

State Department spokeswoman Ms Tutwiler said that "we expect the Soviet Union to urge Cuba and Nicaragua to halt the policy of violent subversion of neighbors, and instead to embrace openness".

Before Gorbachev started his journey to Cuba, U.S. President George Bush sent a letter to him asking the Soviet leader to use his influence to help bring about peace in Central America.

But just before Gorbachev's arrival in Havana, Cuban Deputy Foreign Minister Raul Roa restated Cuba's belief that it has the right to support revolutionary movements in the region because the United States continues to provide support for counter-revolutionaries, specifically the Nicaraguan contra rebels.

Cuba also repeatedly denies it has shipped arms aid to the guerrillas fighting the government of El Salvador.

U.S. Secretary of State James Baker in a recent policy statement ruled out the prospect of improvement soon in relations between Washington and Havana because of what he called the continuation of Cuba's support to revolutionaries in El Salvador and Nicaragua.

### Mideast Talks 'Pose Severe Test' for Bush

OW0504235489 Beijing XINHUA in English  
0932 GMT 3 Apr 89

[News Analysis: Mideast Talks Pose Severe Test for Bush (by Huai Chengbo)]—XINHUA headline]

[Text] Washington, April 2 (XINHUA)—While the Bush administration is still conducting a broad foreign policy review, three Middle East leaders are preparing to confer separately with the U.S. President.

People are wondering how Bush's upcoming talks with Egyptian President Muhammad Husni Mubarak, Israeli Prime Minister Yitzhak Shamir and Jordanian King Husayn will influence U.S. policy toward the Middle East and the peace process in the region.

It is believed here that there are both positive and negative aspects in the current Middle East situation.

The positive aspects include:

—The decision by the Palestinian Liberation Organization last December to accept U.N. Security Council Resolution 242 and Israel's right to exist, to renounce terrorism and to press for peace based on a sovereign-states solution through direct PLO-Israeli negotiations.

The PLO's shift in policy is regarded as an important step in boosting a peaceful settlement of the Arab-Israeli dispute.

—The U.S. Government's entry into direct talks with the PLO, which may turn out to be a step toward direct negotiations between the parties concerned.

—Positive responses among Jewish communities both in the United States and Israel to the PLO's initiatives.

Many American Jews not only rejected Israeli requests for condemnation of the U.S. Government decision to enter into the direct dialogue with the PLO, but also called on Israeli authorities to be realistic about the Middle East peace process.

According to a poll, more than 50 percent of Israel's Jews stand for direct talks with the PLO and a territory-for-peace solution.

—Diplomatic efforts undertaken by moderate Arab nations, including Egypt and Jordan, and the European Economic Community as well, to explore a peaceful solution to the Middle East issue.

The negative aspects are:

—The refusal by Israeli policy-makers to budge from their "three-no policy," that is, no recognition of a Palestinian state, no recognition of the PLO and no withdrawal from the West Bank and Gaza Strip.

—The likelihood that if Israel still refuses to make concessions, peace efforts by PLO Chairman Yasir Arafat will fail, and radicals and fundamentalists will gain in influence in the occupied territories and Lebanon and escalate the conflicts on both fronts.

—The probability that radical Arab nations will develop their own missiles and chemical weapons will intensify the situation in the Middle East.

In talks with Israeli Foreign Minister Moshe Arens last month, U.S. Secretary of State James Baker reaffirmed the U.S. commitment to Israeli security. However, he also called for de-escalation of the conflicts on the West Bank and in Gaza and a direct Israeli-PLO dialogue to build mutual trust.

Baker expressed hope that Shamir would bring with him new peace proposals when he comes to meet President Bush. However, Avi Pazner, a spokesman for the Israeli prime minister, says "Shamir is not a man who can be pressured."

The severe test for the Bush administration then appears to be whether it can show Shamir that the advance of the wheel of the Middle East peace process should induce him to strike out on a new path.

**Dow Signs Agreement With Ningbo Firm**  
HK0504050689 Beijing CHINA DAILY in English  
5 Apr 89 p 2

[By staff reporter Shen Feiyue]

[Text] Hangzhou—A leading American chemical company signed an agreement with Zhejiang Chemical Factory yesterday to form a \$50 million petrochemical joint venture at Ningbo, a major port city in east China's coastal Zhejiang Province.

The new company, Zhejiang Pacific Chemical Corporation, is described as the first-ever joint venture of the Dow Chemical Company in China. It is also claimed to be the largest Sino-American petrochemical joint venture.

The 50/50 equity joint venture will use Dow's technology to produce 45,000 tons of chemicals when in full operation in 1993.

Dow Chemical Canada Inc, a wholly-owned subsidiary of Dow, will provide the new company with state-of-the-art process design technology, procurement of equipment and materials, training of operating personnel and technical engineering support.

"We're very excited about this venture. We're very proud to become a partner in a country which Dow regards as one of the most promising economies in the world," said Michael Parker, president of Dow Chemical Pacific Ltd. "Having supplied China with many of our products since 1973, the joint venture will allow us to participate in China's high growth manufacturing base directly, and help to further strengthen Dow's global presence."

Zhang Zhixiang, president of Zhejiang Chemical Factory, believes that the joint venture will make a way for future co-operation between the two parties. Zhang's factory will build a plant to supply chlorine to Zhejiang Pacific Chemical Corporation.

With a global corporate sales value of \$16.7 billion in 1988, Dow is the world's sixth largest chemical company. The Ningbo-based Zhejiang Chemical Factory is one of China's major chemical enterprises.

**Joint Venture With U.S. Polypropylene Firm**  
HK0604113389 Beijing CEI Database in English  
6 Apr 89

[Text] New York (CEI)—Yupei Corporation, comprised of three Chinese companies, and an American firm concluded an agreement in New York to set up a joint venture in the United States producing, developing and marketing polypropylene and its finished products.

It is the first time that China has ever set up a transnational corporation abroad, sources said.

Polypropylene, one of the world's fastest growing basic raw materials industries in recent years, is extensively applied in domestic utensils, automobile, home appliance and synthetic fibre industries.

China's partner, an American-Italian joint venture, is the world's largest transnational polypropylene corporation, which has a production and marketing network in more than 100 countries and regions.

According to the agreement, the joint venture will produce 150,000 tons of polypropylene each year with American raw materials and market its products in China and other parts of the world.

## Soviet Union

**Summary of Soviet Border Trade Talks Signed**  
OW0604140589 Beijing XINHUA in English  
0858 GMT 6 Apr 89

[Text] Beijing, April 6 (XINHUA) —China and the Soviet Union signed here today a summary of talks on the first session of permanent work group of local and border trade cooperation under the Sino-Soviet Committee of Economic, Trade and Scientific and Technological Cooperation.

The work group held its session here between March 30 and April 7. The two sides summed up experiences of bilateral border trade over the last few years and discussed problems that have cropped up in cooperation and solutions to the problems.

Wang Pingqin, vice-minister of the foreign economic relations and trade, and L. A. Gorshkov, vice-chairman of the Council of Ministers of the Russian Soviet Federative Socialist Republic, added their signature to the summary of talks.

**XINHUA Cited on Soviet Initiatives, NATO**  
*OW0604080589 Beijing in Russian to the USSR*  
*1900 GMT 4 Apr 89*

[XINHUA review: "Peaceful Offensive of the Soviet Union and the Differences Between the United States of America and Its NATO Allies"]

[Text] On 4 April this year NATO will mark its 40th anniversary. On this occasion, a XINHUA correspondent published a review under the heading: The Peaceful Offensive of the Soviet Union and the Differences Between the United States of America and its NATO Allies.

The author writes: During the forty-odd years since World War II relations between the two superpowers—the United States and the Soviet Union—were, on the whole, in a state of cold war. The creation of two military blocs—NATO and the Warsaw Pact—as the by-product of this situation has, in itself, strengthened confrontation between the two sides. In the second half of the 1980s a clear tendency towards detente in U.S.-USSR relations and between West and East has become apparent. Guided by new thinking, the Soviet Union has undertaken a significant adjustment of its foreign policy and has displayed sincerity towards rapprochement. The Soviet Union has earned a well deserved appraisal for its actions in the international arena by the timely troop withdrawal from Afghanistan and the unilateral reduction of 500,000 men from its Armed Forces.

As far as the United States of America is concerned, this situation gave rise to hopes and opportunities. At the same time, it was presented with questions and a challenge. Under these new conditions, differences on questions of strategy and tactics in relation to the Soviet Union arose between the United States of America and its NATO allies.

Differences exist on three issues. First, the appraisal of the changes in the USSR's foreign policy and the significance of these changes differ. According to U.S. press, the new U.S. Secretary of State Baker noticed Gorbachev fever during his trip to the capitals of West Europe in the second half of February. He also feels that the unilateral disarmament and other forms of Soviet initiatives hold a huge attraction for Western European countries. Genscher, FRG foreign minister, criticized those who adhere to the antiquated concept of confrontation and considers them to be at odds with the tides of history. He called on Europe to create its own peaceful order. Mrs Thatcher, prime minister of the United Kingdom, also stated that the cold war has receded into the past.

In contrast to this, the United States has more reservations about the Soviet peace offensive. The Bush administration's Soviet policy is still under consideration. However, judging by the open statements made by leaders of the U.S. administration, its tenor is that of

caution. Baker stressed that no matter how attractive the Soviet initiatives are, it is an undeniable fact that the Soviet Union remains a superpower in possession of powerful weapons.

Second, the assumptions made on opposite shores of the Atlantic are not the same. There are people in the United States that are too optimistic with regard to the U.S. advantages resulting from the Soviet Union's difficulties. Therefore, they place their stakes on a strategy of change through pressure on the Soviet Union. An assumption has recently been officially exposed in the United States. This assumption demanded that the Soviet Union loosen its control over Eastern Europe and allow it to achieve democratization and demobilization in return for a promise from the West not to penetrate into East Europe with the aim of creating a threat to Soviet security.

Generally speaking, West European countries are inclined to actively approach the changes in Soviet foreign policy and its peaceful initiatives. The countries are happy to witness a decrease in the Soviet military threat by means of disarmament in order to strengthen and develop the trend towards detente.

Third, in connection with these differences, contradiction has developed between the United States and West Europe in terms of certain political measures undertaken in relation to the Soviet Union. Highly placed U.S. officials are demanding that shorter range nuclear weapons in West Europe should be updated first in addition to further development of the Reagan administration's space weapons and strategic nuclear weapons plan. On the other hand, FRG, Belgium, and Italy oppose this. Besides, West European countries are actively developing the economic and political relations with the Soviet Union and East European countries in the wake of detente. Moreover, they have made large credit and capital investment facilities available to the Soviet Union and are demanding that the limitations on exports to the Soviet Union be lifted. This has caused obvious concern and displeasure for the United States.

To what extent will Bush's government consider the opinion and the wishes of its allies in developing and determining its strategic course in relation to the Soviet Union and to what extent will West European countries accept U.S. decisions is, as yet, not known. Therefore several U.S. newspapers feel that this year will be the year in which NATO will challenge the United States.

**Soviet Economist Discusses Economic Zones**  
*OW0604053989 Beijing XINHUA in English*  
*1235 GMT 4 Apr 89*

[Text] Moscow, April 3 (XINHUA)—The establishment of special economic zones will help stimulate the Soviet economy, but cannot be expected to free the country from its economic difficulties and financial deficits, well-known Soviet economist Abel Aganbegyan said here today at a press conference.

As chief economic advisor to Soviet leader Mikhail Gorbachev, Aganbegyan adopts a prudent attitude towards establishing special economic zones. The role of special economic zones should not be overestimated, he said.

He mentioned the Far East and Finland Gulf as desirable places for special economic zones, saying that within the zones, joint ventures can be set up, preferential policies can be introduced and an information system can be established for international exchanges. The Soviet Union is ready to absorb the experiences of other countries, especially China, he said.

Products turned out by the special economic zones can be sold mainly at home because of its huge demand. However, part of them must be exported to achieve a balanced development, he said.

**Afghan Foreign Minister Holds Talks in Moscow**  
*OW0604021589 Beijing XINHUA in English  
0113 GMT 5 Apr 89*

[Text] Moscow, April 4 (XINHUA)—The Kabul Government's Foreign Minister 'Abdul Wakil and Soviet First Deputy Foreign Minister Aleksandr Bessmertnykh held talks here today on the situation in Afghanistan.

Wakil arrived in Moscow Monday on his way to New York.

The two officials discussed the "increased interference" in Afghanistan's internal affairs, the official Soviet news agency TASS said.

The Soviet Union and the Kabul Government have accused Pakistan of assisting Afghan opposition armed forces in attacking the Afghan city of Jalalabad in the past month.

Earlier today, a senior Foreign Ministry official told a news briefing that Afghan opposition forces are preparing to launch a "decisive offensive" on Jalalabad.

Observers here believe that Wakil and Bessmertnykh focused their discussion on the situation in Jalalabad.

Meanwhile, TASS reported tonight that Afghan opposition forces fired powerful missiles at Kabul today, killing six people and injuring 24.

The Kabul-Jalalabad highway remains open for automobile traffic and a truck column carrying food arrived in that city from Kabul Monday, TASS added.

**Northeast Asia**

**Qiao Shi Meets Japan Socialist Party Group**

**Hosts Dinner**

*OW0504132389 Beijing XINHUA in English  
1252 GMT 5 Apr 89*

[Text] Beijing, April 5 (XINHUA)—Qiao Shi, member of the Standing Committee of the Political Bureau of the Chinese Communist Party (CPC) Central Committee, met and hosted a dinner for a delegation of the Socialist Party of Japan (JSP) here tonight.

The delegation is led by Makoto Tanabe, former secretary-general of the JSP and member of the Japanese House of Representatives.

The Japanese delegation is here on a goodwill visit.

During the meeting, Qiao and the visitors exchanged views on expanding bilateral relations and other issues of common concern, and reviewed the development of the ties between the two parties.

Qiao also briefed the visitors on the second session of the Seventh National People's Congress of China, which closed Tuesday, and on China's drive to improve the economic environment and rectify the economic order.

Earlier today, Zhu Liang, member of the CPC Central Committee and head of the committee's International Liaison Department, held talks with the delegation.

**Offers Japan-North Korea Mediation**

*OW0604063989 Tokyo KYODO in English 0300 GMT  
6 Apr 89*

[Text] Beijing, April 6 KYODO—Qiao Shi, a Politburo member of the Chinese Communist Party, said Wednesday that China is ready to play a bridging role in improving relations between Japan and North Korea, a Japan Socialist Party (JSP) delegation chief told reporters here.

Qiao said he thinks it probable that Japanese Prime Minister Noboru Takeshita will seek such a mediation role by China when he receives Chinese Premier Li Peng in Tokyo next week, said Makoto Tanabe, former JSP secretary general who is leading the JSP delegation.

Li is to make an official visit to Japan on April 12-16.

Tanabe met Qiao on Wednesday after arriving here earlier in the day after a six-day visit to Pyongyang.

In Pyongyang, the 10-member JSP delegation talked with President Kim Il-song and other North Korean officials, mainly about Japan-North Korea relations.

Qiao also praised the JSP's efforts to improve relations between Japan and North Korea, which have no diplomatic ties, according to Tanabe.

Tanabe's delegation will leave here for home on Friday.

**Japan Hails DPRK Response to Its Initiative**  
OW0504154389 Beijing XINHUA in English  
1308 GMT 4 Apr 89

[Text] Tokyo, April 4 (XINHUA)—The Japanese foreign minister said today that the Democratic People's Republic of Korea (DPRK) has shown a "positive stance" toward Japan's new initiative for direct talks with Pyongyang.

Sosuke Uno made the comment based on reports from Pyongyang that a member of the Political Bureau of the Korea Workers' Party, Ho Tam, called "noteworthy" the March 30 statement by Japanese Prime Minister Noboru Takeshita in which he expressed "deep remorse and regret" for Japan's 36-year rule of Korea.

The foreign minister said he thought the DPRK has fully understood the Japanese prime minister's intention.

Uno also said he expected a positive DPRK response to the Japanese call for the opening of talks on the release of two Japanese seamen detained in the DPRK since 1983 on charges of espionage.

According to news reports from Pyongyang, Ho Tam, at a meeting yesterday with the former secretary general of the Japan Socialist Party, Makoto Tanabe, said Takeshita's statement is still not specific as an apology for the suffering inflicted on Koreans. Ho Tam did say, however, it is noteworthy that Takeshita pledged efforts to improve ties between Japan and the DPRK.

Tanabe is currently on a six-day visit to the DPRK as head of the 10-member delegation of the Japan Socialist Party.

**Japanese Paper Reports Lhasa Riots 'Machinated'**  
HK0604014989 Beijing ZHONGGUO XINWEN SHE  
in Chinese 1440 GMT 5 Apr 89

[Report: "Japanese Newspaper Says That Riots in Lhasa Were a Machinated Armed Rebellion"—ZHONGGUO XINWEN SHE headline]

[Text] Tokyo, 5 Apr (ZHONGGUO XINWEN SHE)—Today NIHON KEIZAI SHIMBUN [JAPANESE ECONOMIC NEWS] published a report filed by its correspondent in New Delhi saying that information confirmed by some Western diplomats in India revealed that the riots that occurred in Lhasa last month were a machinated and organized armed rebellion.

The report said that the riots were different from all previous riots in terms of scale and seriousness. The riots spread to a dozen or so towns and townships and some of the rioters used guns. Their Soviet-made, old-fashioned rifles were transported into the region from Nepal.

According to reliable information provided by these Western diplomats, the report said, some lamas and Tibetan youths had set up a "resistance force" beforehand for a machinated and organized armed rebellion on 10 March.

After the riots in Lhasa, the report added, the Dalai Lama living in exile in India issued a statement strongly accusing China on the one hand and demanding a direct dialogue for a solution on the other. These Western diplomats said that the riots indicated a decline in the Dalai Lama's influence, adding that the situation in Tibet would take on a new look.

**Disputes Not To Affect Trade With Japan**  
HK0604113789 Beijing CEI Database in English  
6 Apr 89

[Text] Beijing (CEI)—The recent request for compensation by China made by the Japanese International Trade Promotion Association in the interests of its members are normal business disputes between two trade partners which will in no way affect Sino-Japanese trade, and no undue administrative interference is necessary, an official from the Ministry of Foreign Economic Relations and Trade said here recently.

Most of the trade issues raised by the Japanese concern the disputes between them and the local foreign trade firms in China, the official said. Earlier, Shen Jueren, vice minister of Foreign Economic Relations and Trade, has written to the Japanese International Trade Promotion Association explaining the matters.

Although the Chinese side is not wholly responsible for every dispute, the restrictions and bans on the export of some raw materials and metals during the recent economic rectification have in fact affected the fulfilment of contracts by the Chinese firms, the official said.

**Economic, Trade Cooperation Signed With DPRK**  
OW0604075889 Beijing XINHUA in English  
1218 GMT 5 Apr 89

[Text] Pyongyang, April 5 (XINHUA)—The Democratic People's Republic of Korea (DPRK) and China signed an agreement today on setting up a cooperation committee to promote economic, trade, scientific and technological development between the two countries.

The agreement was signed by Kim Tal-hyon, chairman of the External Economic Commission of the DPRK and Qi Yuanjing, minister of the Chinese Metallurgical Industry. Qi is the head of the Chinese delegation visiting Pyongyang.

**Southeast Asia & Pacific**  
**Statements Issued on SRV Troop Withdrawal**

**PRC Foreign Ministry Comments**  
*OW0604122289 Beijing XINHUA in English*  
*1201 GMT 6 Apr 89*

[Text] Beijing, April 6 (XINHUA)—A Chinese Foreign Ministry Spokesman today issued a statement on the April 5 statement by the Vietnamese Government on withdrawing its troops from Kampuchea. The full text of the spokesman's statement follows:

We have noted that in its statement issued on April 5 the Vietnamese Government reaffirmed that it will withdraw its troops from Kampuchea before the end of September this year. We hope that Vietnam will truly honour its announced commitment, thoroughly and completely withdraw all its armed forces from Kampuchea as scheduled and that Vietnamese forces will not return to Kampuchea under any pretext.

The Vietnamese troop-withdrawal must be conducted under effective international supervision. We support Prince Sihanouk's position that the composition of international supervision should not be decided by Vietnam. We hold that an international control mechanism should be established under the auspices of the UN secretary general following his consultations and agreement with the countries concerned.

It must also be pointed out that the Kampuchean question is a result of Vietnamese aggression and no argument for Vietnam's aggression is tenable. Vietnam bears unshirkable responsibility for a comprehensive settlement of the Kampuchean question and for peace and stability in Kampuchea following its troop-withdrawal.

It is entirely just for China to support Kampuchea in its resistance to Vietnamese aggression. We wish to reiterate that China will join other countries concerned in halting their military assistance to all parties in Kampuchea after the complete withdrawal of Vietnamese troops has been verified.

**Sihanouk Wants UN Supervision**  
*HK0504143289 Hong Kong AFP in English*  
*1430 GMT 5 Apr 89*

[Text] Beijing, April 5 (AFP)—Resistance leader Prince Norodom Sihanouk has said that a unilateral Vietnamese troop withdrawal from Cambodia announced Wednesday must be supervised by the United Nations rather than countries designated by Hanoi.

Vietnam, Laos and Cambodia issued a joint communiqué saying that Hanoi would withdraw all its troops from Cambodia by the end of September, some 10 years after Vietnamese forces captured Phnom Penh from the Beijing-backed Khmer Rouge.

The communique said the International Control and Supervision Commission on Indochina, set up in 1954 in Geneva, should be reactivated with its original members Poland, India and Canada.

It added that these three countries plus Indonesia and a representative of U.N. Secretary General Perez de Cuelar should supervise the withdrawal and ensure an end to foreign military aid to the warring Cambodian factions.

But Prince Sihanouk in a three-point statement issued here Wednesday said that the pullout should be monitored by the United Nations rather than parties "chosen" by Vietnam.

The statement, read out by a spokesman for the former Cambodian monarch, said China would not end its military backing to the resistance until "the day when the U.N. had verified the reality of a withdrawal that to date has been hard to believe."

"If there is a so-called 'withdrawal' of Vietnamese troops from Cambodia by September, this pull-out must be controlled by the United Nations and not by countries unilaterally picked by the Socialist Republic of Vietnam," it said.

"Vietnam is not the legal owner of Cambodia," it said, adding, "Vietnam has no right to make decisions on the future of Cambodia... unless the Coalition Government of Democratic Kampuchea [CGDK] is in agreement."

The U.N.-recognised CGDK groups the Khmer Rouge, supporters of Prince Sihanouk and followers of former premier Son Sann.

(In Bangkok, Thai Foreign Minister Sitthi Sawetsila said the announcement of the withdrawal was "good news," but cautioned that "concerned parties must study in detail the proposals contained in the decision, particularly on the role of the commission."

The joint communique issued by Vietnam and its Indochinese allies in Laos and Cambodia, proposed that the commission supervise and control the withdrawal of Hanoi's forces "as well as the cessation of foreign interference and of foreign military aid to the Kampuchean (Cambodian) parties."

Analysts here said that the move by Vietnam, burdened by an ailing economy, and its Phnom Penh ally clearly offered substantive compromises towards a settlement in Cambodia, setting the stage for bargaining a little over a month ahead of a summit due to bring together in Beijing the leaders of China and the Soviet Union, Deng Xiaoping and Mikhail Gorbachev.

China is the main military backer of the Cambodian resistance coalition, while Moscow provides the backbone of military and economic assistance received by Vietnam.

While Wednesday's joint communique made no specific reference to a powersharing formula following a settlement it said that the Vietnamese troop pullout and an end to outside military aid would "stimulate" the warring Cambodian factions to reach agreement.

Hanoi was suggesting for the first time what appeared like a credible monitoring mechanism for the withdrawal of its forces, analysts said.

Powersharing and international control have been the main points opposing the warring factions.

Analysts also noted that the initiative taken by Hanoi and Phnom Penh would put pressure on the resistance coalition and its backers, China in particular, ahead of crucial talks next month on Cambodia.

Cambodia is to be on the agenda of the Sino-Soviet summit scheduled to take place on May 15, although Moscow has already said that the meeting, the first at such a level between the two communist giants in 30 years, was unlikely to lead to a breakthrough on Cambodia.

On May 2, Prince Sihanouk is expected to meet Cambodian Prime Minister Hun Sen in Jakarta.

#### Sihanouk Spokesman Expresses Doubt

OW0604042689 Beijing XINHUA in English  
1133 GMT 4 Apr 89

[Text] Bangkok, April 4 (XINHUA)—A senior official of Samdech Norodom Sihanouk's office in Bangkok told XINHUA today that the advocacy of a "partial solution" to the Kampuchea problem is aimed at creating an illusion of Vietnam's flexibility for a political solution.

Truong Mealy, head of the information section, said recent statements made by the Soviet and Vietnamese deputy foreign ministers in Bangkok that they are going to move in the next few weeks are hard to believe.

Vietnamese Deputy Foreign Minister Tran Quang Co told the local paper "THE NATION" last weekend that "as things are moving rather fast, we can consider to withdraw our troops sooner and totally outside the context of a political solution."

Diplomats here speculated that Vietnam might announce next week it will withdraw its troops from Kampuchea this year. But Thai officials were reportedly cautious about the speculation.

Truong Mealy quoted a statement made by Prince Norodom Ranariddh, son of Samdech Sihanouk, Monday that "if Vietnam is ready to withdraw from Kampuchea, it should not have any difficulty in accepting an effective international supervision and verification."

He called for a real but not fake withdrawal of Vietnamese troops from Kampuchea and the formation of a provisional quadripartite government under the leadership of Samdech Norodom Sihanouk.

#### Sihanouk Calls for Conference

HK0604124989 Hong Kong AFP in English  
1245 GMT 6 Apr 89

[Text] Beijing, April 6 (AFP)—Resistance leader Prince Norodom Sihanouk asked French President Francois Mitterrand Thursday to organise an international conference on Cambodia in Paris.

In a press statement, Prince Sihanouk also said the resistance "rejected all the decisions taken in the past few days and the days and months to come" by Vietnam, Laos and the Hanoi-backed Phnom Penh government.

Vietnam and its Indochinese allies announced Wednesday that Hanoi would unilaterally withdraw all its troops from Cambodia by the end of September.

The prince also called on U.N. Secretary General Javier Perez de Cuellar and the U.N. Security Council to send "as soon as possible" a multinational force to Cambodia to prevent "any one faction from trying to grab power."

Analysts said he was referring to the Marxist Khmer Rouge, the most powerful resistance faction, whose government was overthrown by Vietnamese troops in January 1979.

The prince said the Cambodian resistance was asking Mr. Mitterrand to organise an international conference on Cambodia "at a suitable date" in Paris, where the warring Cambodian factions are due to hold talks on Monday.

#### Thailand Welcomes SRV Pledge

OW0604122689 Beijing XINHUA in English  
0817 GMT 6 Apr 89

[Text] Bangkok, April 6 (XINHUA)—Thailand has welcomed Vietnam's pledge on troop pullout from Kampuchea by the end of September this year.

Quoted by the local press today, Thai Prime Minister Chatchai Chunhawan said Wednesday night that he welcomed the news.

It was time "all this fighting" ended because Thailand had been affected by it for a long time, he said.

He noted that hundreds of Thais had suffered, losing their lives or their homes in shelling from across the border.

Thai Foreign Minister Sitthi Sawetsila told reporters Wednesday afternoon that Thailand welcomed Hanoi's announcement to withdraw its troops from Kampuchea by September, but said further study and talks are needed on details of the peace initiative.

The announcement, issued in a joint declaration by Vietnam, Laos and the Phnom Penh regime, was made by Vietnamese foreign minister in Hanoi and Hun Sen in Phnom Penh Wednesday.

Vietnam's pledge remains conditional. It linked its troop pullout to the "cessation of foreign interference, and of all military aid to all Kampuchean parties" by the end of September this year.

It also called the resumption of the "International Control and Supervision Commission for the Implementation of the 1954 Geneva Agreements on Kampuchea" for "supervising and controlling the withdrawal of Vietnamese troops as well as the cessation of foreign interference and foreign military aid to the Kampuchean parties."

The office of Son Sann, prime minister of the coalition government of Democratic Kampuchea issued a statement Wednesday night that the Vietnamese troops withdrawal should be supervised by "the U.N. Peacekeeping Force or an international mechanism."

The Thai paper "THE NATION" in an editorial today said "The Vietnamese decision doesn't really represent a new concession because Hanoi had earlier pledged on several occasions, to complete the pullout by September but backed [words indistinct] acting on the pledge by adding new conditions during the second informal meeting on Kampuchea in Jakarta last February."

An editorial of the "BANGKOK POST" today noted that "judging from Hanoi's track record on making good on announced troop withdrawals, it is perhaps premature to think that a long-awaited breakthrough has finally been achieved."

**Wan Li Holds Talks With Thai Parliamentarian**  
OW0504190889 Beijing XINHUA in English  
1428 GMT 5 Apr 89

[Text] Beijing, April 5 (XINHUA)—The Second Session of the Seventh National People's Congress, which ended yesterday, was inspiring, both strengthening confidence and promoting China's reform and readjustment, said Wan Li, chairman of the congress Standing Committee today.

Wan was speaking at a meeting with Pancha Keson-thong, the speaker of the House of Representatives of Thailand.

He said: "We are confident that our modernization drive will advance under the unity and effort of the whole Chinese people."

Pancha said: "The only way out for China is to reform, as it has more than one billion people."

Wan said that the visit of Premier Li Peng to Thailand last December and the visit of Thai Prime Minister Chatchai Chunhawan to China last month have demonstrated that China and Thailand have traditional and friendly relations.

The visit of the delegation from the Thai House of Representatives, Wan added, has shown that the legislative organs of Thailand are interested in, and attach importance to, the development of the bilateral relationship.

He said that the National People's Congress is willing to join hands with the Thai National Assembly to promote bilateral relations.

Pancha said that his delegation's visit is to deepen bilateral relations as well as the relationship between the two parliamentary bodies.

**Sino-Thai Agreement Signed on Exhibition Center**  
HK0604083589 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 6 Apr 89 p 1

[From Alan Boyd in Bangkok]

[Text] China Resources has signed agreement worth six billion baht (about HK\$1.8 billion) with a Thai firm to invest in an exhibition centre and a golf course in Thailand.

The Thai partner, manufacturer M. Thai Group, said the deals would each involve spending about three billion baht excluding land.

Two joint venture companies will be established to develop the projects, which will be among the biggest Chinese investments concluded in Thailand.

The partnership involves construction of a 1,200-acre country club and an international exhibition centre.

Included in the New Town Golf Country Club will be a 27-hole golf course, an artificial lake and a luxury housing estate, while the exhibition centre will have office condominiums and a retail mall.

Exhibition space of 50,000 square metres will be available, and a 75,000 sq metre multi-purpose convention centre modelled on Tokyo's Nippon Convention Centre.

M. Thai president Suchai Virameteekul said the deals were expected to be completed within three to five years.

He said the joint venture companies, M. Thai Expo City and M. Thai New Town Golf and Country Club Co, would involve 600 million baht in paid-up capital.

However, Mr Suchai refused to disclose details of the Chinese firm's financial commitment.

Under Thai law, China Resources is limited to a 49 percent investment, or a maximum of 2.9 billion baht.

The partnership involves China Resources (Holdings), the Hong Kong-based subsidiary of the semi-government trader and real estate developer.

M. Thai officials said the agreements were signed by China Resources chairman Zhu Youlan, vice-president Yam Kwong Bun and development manager Wang Xin Wen.

M. Thai, a wholesaler and manufacturer, is a medium-sized Thai concern with about 350 employees.

It was established in 1963, but has not sought a Securities Exchange of Thailand (SET) listing.

Mr Suchai, with a 28 percent holding, is listed in government records as the major shareholder, along with Meteekul Leasing (20 percent) and Kondola Col Ltd (10 percent).

The deal is the second concluded by China Resources (Holdings) with a Thai firm in a matter of weeks.

Siam Cement, one of Thailand's biggest industrial concerns, established a trading partnership with the Chinese company late last week, to be known as China Resources Siam Trading Co Ltd.

Two other firms, Bank of East Asia Ltd and Onwel Strategic Holdings, are also involved in the Hong Kong-based firm, which will be concentrating on both the China and Thailand export markets.

A Siam Cement spokesman said the firm, operating with 35 million baht start-up capital, would be managed jointly with China Resources.

He said trade handled by the partnership would include commodities, construction materials and plastic resins from Thailand and Hong Kong, with raw materials travelling in the opposite direction.

Government officials in Thailand said the agreements were the first of several which would follow a recent deputation to Beijing by a large group of Thai industrialists and leading businessmen.

The group, accompanying Prime Minister Chatchai Chunhawan in trade and investment talks, sought to end four decades of political mistrust between the two countries and expand economic ties into tourism, manufacturing, mining and transport and communications.

A reciprocal delegation involving Hainan provincial government officials will arrive in Bangkok today to seek Thai investment in the island's economic zone.

**Satellite Antennae Firm Founded With Singapore**  
*HK0604112589 Beijing CEI Database in English*  
*6 Apr 89*

[Text] Beijing (CEI)—The Sino-Singaporean Asia Satellite Communications Technology Corporation was jointly founded here on March 22 by the Satellite Communications Technology Corporation under the Chinese Academy of Sciences and the New Technology PTE., Ltd. of Singapore.

The corporation is to produce small and large satellite TV receivers for various systems by utilizing the radio astronomy technology developed by the Beijing Astronomical Observatory under the Chinese Academy of Sciences.

The diameter of the paraboloid aerial ranges from 0.6 meter to 7 meters, capable of receiving satellite TV programs on wave C and wave KU, and televising them through relay stations or closed-circuit facilities. The color satellite TV programs of the United States, the Soviet Union, China, Malaysia and Japan can be received in East and Southeast Asia with this equipment.

At present, about 200 sets of this system have been built in China, and some of its prototypes have been exported to the United States, France, Finland, Norway, Australia, Hong Kong and Spain.

**CPPCC Vice Chairman Meets New Zealanders**  
*OW0504130089 Beijing XINHUA in English*  
*1138 GMT 5 Apr 89*

[Text] Beijing, April 5 (XINHUA)—Cheng Siyuan, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met a delegation from the New Zealand and China Trade Association of New Zealand here today.

The delegation led by the association's chairman David Oram arrived in Beijing April 3 at the invitation of the China Council for the Promotion of International Trade.

**ESCAP Continues 45th Session in Bangkok**

**Stresses Human Resources Development**  
*OW0604014289 Beijing XINHUA in English*  
*1616 GMT 3 Apr 89*

[Text] Bangkok, April 3 (XINHUA)—Human resources development has been given increasing attention by the developing economies in the Asia-Pacific region, as "the quality of people" has been increasingly considered as a crucial determinant of development in the region.

The point has been stressed by many delegates attending the 45th Session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) being held here.

Human resources development was described by an Indonesian delegate as the "central element" in economic restructuring.

According to the United Nations Information Service, the importance of human resources development is manifested in national development plans.

The Philippines is increasing its budgetary allocation for human resources development.

For Bhutan, which currently faces acute shortage of trained and qualified manpower, human resources development is a priority national objective.

Emphasis was put on different aspects of human resources development by delegates from various countries. Some stressed the need to increase literacy rates while others called for retraining, job placement and improvement of the education system.

To help countries with this massive task, ESCAP has drawn up a portfolio of project proposals under the plan of action on human resources development adopted in Jakarta, Indonesia, last year.

ESCAP Executive Secretary S.A.M.S. Kibria said during the session that the plan maps out a strategy to tackle the region's key problem of human resources development pertaining to employment and manpower development, science and technology and the quality of life.

Offers of assistance to the project proposals have been made by China, India, Japan, other ESCAP members and associate members, as well as by international organizations.

**Consensus on Economic Restructuring**  
OW0604062389 Beijing XINHUA in English  
0753 GMT 5 Apr 89

[“Roundup: Restructuring, Essential for Developing Economies in Asia-Pacific Region (by Ma Shengrong)”—XINHUA headline]

[Text] Bangkok, April 5 (XINHUA)—A consensus has prominently emerged that restructuring is essential for developing economies in the Asia-Pacific region as the 45th annual session of the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) is coming to an end here today.

The 10-day session, which will end this afternoon, has had a thorough discussion of its theme topic "The Restructuring of the Developing ESCAP Economies in 1990s".

A report adopted at the session says delegates from ESCAP members and associate members agreed that restructuring in industry, agriculture and other sectors is necessary for further development of the economies in the region.

"The commission agreed that for many developing economies of the ESCAP region, in particular the group of least developed and geographically disadvantaged economies, agricultural restructuring was of fundamental importance," it says.

Vast changes in the global economy since early 1970s have roused sincere concerns for and keen interests in restructuring among the developing economies in the region.

Delegates attending the session recognized that the diverse conditions of ESCAP members denote that the policy motivations for restructuring could not be identical. Restructuring at this stage represents an attempt by developing countries to "get back on the path of development they had to abandon or deviate from significantly as a result of the changes in the external environment."

ESCAP Executive Secretary S.A.M.S. Kibria told XINHUA earlier that "restructuring means, in very simple terms, adjusting the economy, policies, institution, and making structural reforms so as to reap full benefit from the external economic environment." But, according to a survey prepared for the session, "many developing economies of the region, especially those which concentrated on the development of their domestic markets and had not fully perceived the possibilities of expanding world trade, find themselves ill-prepared to take advantage emerging opportunities."

Delegates at the session agreed that restructuring should be country-specific, which means policy and structural adjustment should be based on the specific economic and social conditions of a particular country. At the same time, they called for further regional cooperations. That could be very helpful to restructuring in the region as a whole.

Despite the diversity of social and economic conditions, it is generally agreed that restructuring of the economies involves a number of essential factors, namely, the introduction of new technologies, improvement of education, human resources development and all-round strategy for economic development.

New technologies, including microelectronics, biotechnology and new materials, have posed a challenge to the developing ESCAP economies. Indonesian Foreign Minister Ali Alatas described technology as a "key determinant" in economic progress. His view was shared by many other delegates.

A recent ESCAP survey warns that unless the developing ESCAP economies quickly turn such technologies to their own advantage, the socio-economic costs could be ruinously high.

Education and human resources development were also considered to be fundamental to the restructuring process. Many delegates, particularly those from the least developed countries and the Pacific island states, said at the session that their countries badly need economists, scientists, planners as well as skilled workers.

Economic development of Japan and the newly industrializing economies has proved that education and human resources development has a vital role to play in economic development. Singapore Minister of State for Foreign Affairs and National Development Peter Sung told the session "education, vocational training and skills development are the cornerstone of Singapore's strategy for economic development."

The session generally agreed that the restructuring is a continuous and difficult process. It also cautioned against excessive enthusiasm about reliance on success stories, which were often predicated on specific historical and other original conditions.

ESCAP Executive Secretary Kibria warns, in his policy statement, against "euphoric forecasts" and called for "continued hard work and farsighted, flexible policies" which could ensure a bright future of the region.

### Near East & South Asia

**Official Concerned Over Tibet Protest in India**  
OW0304164989 Beijing XINHUA in English  
1605 GMT 3 Apr 89

[Text] New Delhi, April 3 (XINHUA)—China today expressed the hope that India will honor its promise not to allow Tibetans in India to engage in anti-China political activities on Indian soil.

On April 1, over 40 Tibetans in India demonstrated in front of the Chinese Embassy here, holding up flags calling for an "independent Tibet," displaying "snow-clad mountains and lions," and shouting anti-China slogans.

Some of the demonstrators resorted to violence, battering the door of the embassy with bricks and smashing the windowpanes of two guards cubicles. The demonstrators also damaged the brass plaque of the embassy and threw bricks into the compound.

During the one-hour disturbance, more than ten Indian policemen looked on without taking any measures to stop the trouble-makers, letting the demonstration run its course.

Counsellor of the Chinese Embassy Zhoi Xingxing today called on Joint Secretary of Indian External Affairs V.K. Nambiar to express concern over the incident.

Zhou pointed out that the facts show India failed to fulfill its promise not to allow Tibetans in India to engage in any anti-China political activities and did nothing to stop Tibetan activities against their motherland.

"It is not conducive to the overall situation in bettering Sino-Indian relations," the Chinese counsellor said.

Zhou said China hopes India can honor its promise with practical action, taking effective measures to prevent a similar incident from happening and ensuring the safety and normal functioning of the Chinese Embassy.

Nambiar said it was unfortunate the incident occurred. He said there is no change in the Indian Government's position that Tibet is an autonomous region of China and Tibetans in India are not allowed to conduct anti-China political activities on Indian soil.

**Trade Office in Saudi Arabia Operational**  
OW0304000989 Beijing XINHUA in English  
1923 GMT 4 Apr 89

[Text] Cairo, April 4 (XINHUA)—The newly-launched trade office of the People's Republic of China in Riyadh, capital of Saudi Arabia, is already operational, local newspaper "SAUDI GAZETTE" reported Monday.

In an interview with the newspaper, Deng Shaoqin, acting representative of the non-governmental office, said this represents a "historic event in the relations between the two countries."

Deng heads an eight-member mission which, together with the Saudi trade mission in Beijing, will "play a leading role in boosting the two way-trade volume between the two peace-loving states," the paper said.

The prospects of trade between the two countries are bright since the Saudi market is considered one of the most promising in the world, Deng was quoted as saying.

**Sino-Saudi Trust, Investment Company Slated**  
OW0304191789 Beijing XINHUA in English  
1518 GMT 3 Apr 89

[Text] Yinchuan, April 3 (XINHUA)—The Ningxia Islamic International Trust and Investment Corporation of China signed a contract this morning with the Al-Barakah group of companies from Saudi Arabia to jointly set up an international trust and investment company.

According to the contract, the new company—the Al-Barakah-Ningxia Islamic International Trust and Investment Company—will be based in Yinchuan, capital of the

Ningxia Hui (Moslem) Autonomous Region and will have a registered capital of 80 million U.S. dollars. The Chinese side will contribute 40 percent of the investment.

The establishment of the new company is aimed at promoting financial and economic cooperation among Islamic regions.

It will mainly engage in the buying, selling and issuing of securities, trust and investment business, insurance, and economic and financial consultancy.

The term of the contract is 50 years.

The new company is expected to start business within this year and plans to gradually set up branches in other parts of the Moslem world.

**Sino-Iranian Postal Cooperation Discussed**  
*LD0404084489 Tehran IRNA in English 0732 GMT  
4 Apr 89*

[Text] Beijing, April 4, IRNA—Managing Director of Iran's Posts Department Mohammad Nabi Habibi who arrived here Monday heading a delegation, met with Chinese Minister of Posts and Telecommunications Yang Taifang Monday afternoon.

Habibi referred to historical relations between the two countries as well as the common cultural and social ties.

He also said that the Islamic Republic of Iran is interested in becoming familiar with Chinese postal systems and in establishing bilateral relations in this respect.

The Chinese minister expressed hope that Tehran-Beijing postal cooperation would increase. He also announced readiness of his country to take part in Iran's post-war reconstruction.

**Chen Muhua Meets Iranian Women's Delegation**  
*OW0304185589 Beijing XINHUA in English  
1314 GMT 3 Apr 89*

[Text] Beijing, April 3 (XINHUA)—Chen Muhua, vice-chairman of the Standing Committee of China's National People's Congress and president of the All-China Women's Federation, met an Iranian women's delegation here today.

This is the first Iranian women's delegation to visit China in the past decade. Led by Mrs. Tahereh Hadidchi Dabagh, acting president of the Iranian Women's Association and member of the Majlis (Islamic Consultative Assembly), the delegation arrived in Beijing this morning.

Extending her welcome to the visitors, Chen said that she wished women of the two countries would strengthen their contacts and promote mutual understanding.

The meeting was followed by a dinner given by Chen in honor of the delegation.

**West Europe**

**Italian Daily Interviews Song Ping**

*PM0604081289 Rome LA REPUBBLICA in Italian  
22 Mar 89 p 5*

[Interview with CPC Political Bureau member Song Ping in Rome; date not given]

[Excerpt] Rome—[introductory passage omitted] [Interviewer] Mr Song Ping, what is your impression of the Italian Communist Party Congress, which you are attending for the first time?

[Song] This congress is being held at an historically very important time, and it seems to me that it has formulated some very interesting policy ideas through an analysis of the problems posed by the very special situation of the time in which we live: I am referring to the problems of development, population growth, the environment, and peace. I believe that the congress set objectives and indicated policies based on past experience reworked on the basis of present conditions. These policies are directed toward reform, and I observed that very special attention was devoted to the issues of democracy, renewal, and the unity of left-wing forces, but also to cooperation between different political forces, which I believe is crucial particularly in your country.

[Interviewer] Were you surprised by the fact that a report from a Communist Party secretary had such a small ideological content?

[Song] There is no universal yardstick. Each party must take account of the situation in which it works and conducts its political activity. You see, ideology is an empty box if it conflicts with political practice. We usually say that politics without ideals lacks strength, but ideals without a practical policy for implementing them are utopian.

[Interviewer] When you talk about an historically important moment, I imagine you are referring to the recent developments in the international situation, within which the rapprochement between China and the Soviet Union is one of the major novelties. Mikhail Gorbachev is to visit Beijing in May, thus ending a long period of mutual antagonism and mistrust. Do you believe a new internationalism could result?

[Song] True, the international communist movement is going through an entirely new phase, of which the start of the normalization between China and the USSR is one of the crucial aspects. However, there is a precondition for normalization: History does not repeat itself, and relations between our two parties must rest on new bases, namely, the essential rules governing relations between our party and any other. These are: Independence and

autonomy, equality, and mutual respect. I believe that these principles are by now universally recognized and accepted. So I will tell you that Sino-Soviet relations can never again return to the situation of the fifties or of the Third International. [Song ends]

Song's interpreter interrupted to make an important point: Gorbachev's Beijing visit will serve primarily to normalize relations between the two states. If it has a positive outcome, then it could be followed by a resumption and normalization of relations between the two parties, which nevertheless will never have a "special character."

[Interviewer] What similarities and differences exist between the Soviet and Chinese reforms?

[Song] The shared factor is the reform. The difference lies in the two countries' different situations. Be that as it may, we Chinese support Gorbachev's restructuring and hope it is successful.

[Interviewer] In the National People's Congress, the Chinese Parliament, which opened 2 days ago, Prime Minister Li Peng said that the centralized economy must prevail over the market economy. Is this not backtracking, or a slowing of the reform?

[Song] Our reform has had many successes but it has also created some new problems. One of these is inflation. We must therefore practice some macroeconomic control of economic management. This does not mean curbing economic development. It means somewhat lowering the temperature of actual development, which was too high. What we want to reduce is not the development of the economy but the level of non-productive investments.

[Interviewer] A debate is under way in Italy on the Communist Party's name. Some are extending this debate to other parties which are supposedly becoming less communist precisely because they are carrying out radical political and economic reforms. Is there any such debate in China?

[Song] I consider our party's name excellent. We really have no intention of changing it.

**Henan Party Secretary Meets Belgian Delegation**  
HK0604042489 Zhengzhou Henan Provincial Service  
in Mandarin 1030 GMT 5 Apr 89

[Excerpts] Provincial party committee Secretary Yang Xizong last night met with principal members of a Walloon regional government delegation of the Kingdom of Belgium headed by the regional Minister of Foreign Affairs Mr (Binade). The meeting took place at the Friendship Guesthouse of Luoyang City. He also gave a banquet in their honor.

Last April Secretary Yang Xizong led a Henan provincial delegation to the Walloon region. During the visit, a ceremony of exchanging notes on the establishment of friendly cooperation between Henan Province and the Walloon region. [passage omitted]

Secretary Yang Xizong said: I am very happy to see our Belgian friends in Luoyang. Since Henan Province and the Walloon region established friendly cooperation last year, both sides have done much in economic and technological cooperation, as well as cultural exchanges. It is hoped that the visit of Mr (Binade) to Henan will increase our mutual understanding so that we will be able to perform some actual deeds to further our friendly cooperation.

Leading comrades of Luoyang City party committee and government were present at the meeting.

**Contract for French Generating Equipment Signed**  
HK0604113189 Beijing CEI Database in English  
6 Apr 89

[Text] Beijing (CEI)—Zhejiang Provincial Bureau of Electric Power Industry and the French Alsthom Corporation recently in Beijing have concluded a contract here on the import of a power generating set for the Ningbo Beilungang Thermal Power Station.

The set, with a power generation capacity of 600,000 kw., was imported with the 165 million U.S. dollar World Bank loan from Alsthom, which won the public bidding invited by the international tendering company of the China National Technical Import and Export Corporation.

The generating set is slated to start construction by the end of this year and be completed by the end of 1991.

The first-phase project of the station includes installation of two generating sets. The first generating set, invested with the 250 million U.S. dollar World Bank loan, started construction in January, 1988 and is expected to be completed by the end of 1990.

Preparations for the second phase project are now underway.

**East Europe**

**Yugoslav Communist League Group Continues Visit**

**Meets With Jiang Zemin**  
OW0504002689 Shanghai City Service in Mandarin  
2300 GMT 30 Mar 89

[Text] Jiang Zemin, member of the Political Bureau of CPC Central Committee and secretary of the Shanghai Municipal CPC Committee, cordially met and feted members of a visiting delegation of the League of Communists of Yugoslavia (LCY), headed by Ivan Brigić, member of the LCY Presidium.

Jiang Zemin extended his warm welcome to the Yugoslav comrades and introduced the municipal construction and reform programs and opening to the outside world.

Yesterday Comrade Brivic and other Yugoslav guests of honor visited (Minghang) Developing Area, (Chi Wei Bao) Pharmaceutical Company Limited, and Maqiao Village of Shanghai County. They were accompanied by Zeng Qinghong, deputy secretary of the Shanghai Municipal CPC Committee, and Li Chengren, deputy head of the CPC Central Committee's International Liaison Department.

**Briefed by Zhao Ziyang**

HK0404043189 Beijing RENMIN RIBAO in Chinese  
2 Apr 89 p 1

[Report by reporter Zhou Xiangguang (0719 6272 0342): "While Meeting With Yugoslav Guests, Zhao Ziyang Stressed That China Will Eventually Find Solutions to the Problems of Reform in Practice, and That Without Political Structural Reform, Economic Reform Cannot Be Stabilized, and If Political Structural Reform Proceeds Too Hastily, It Will Bring Instability."]

[Text] Beijing, 1 Apr—Zhao Ziyang, general secretary of the CPC Central Committee, met with Ivan Brivic, member of the Presidium of the Central Committee of the League of Communists of Yugoslavia (LCY), in Zhongnanhai this afternoon.

While briefing his guests on the situation of reform in China, Zhao Ziyang pointed out: Economic and political reforms should be combined. He said: It is impossible for any country to develop and carry out reform without a stable situation. Nor is a stable situation attainable without political structural reform. However, if political structural reform proceeds too hastily, or goes to extremes, it will bring instability.

Zhao Ziyang continued: China has always attached importance to the experiences of Yugoslavia, both successful and unsuccessful experiences, because they are very important to us and other socialist countries. He insisted that both economic structural reform and political structural reform should be carried out in light of specific conditions of various countries. It is not viable for all countries to adopt the same methods.

While talking about difficulties in reform, Zhao Ziyang stressed: It is not surprising for socialist countries, including China, to encounter some difficulties in reform, because it is very difficult, very arduous, and very complicated to change old modes into new systems; sticking to reforms even involves risks. He emphasized that without reform, there will be no way out for socialism. Therefore, we should persist in reform, and firmly carry it through to the end. In so doing, we will eventually find solutions to the problems in practice.

Brivic briefed Zhao Ziyang on the all-round reform carried out by the LCY, the new initial plan for political structural reform in Yugoslavia, and the current situation there. He conveyed to General Secretary Zhao Ziyang regards sent by the Presidium of the LCY and President Suvar, and forwarded to General Secretary Zhao Ziyang an invitation to revisit Yugoslavia any time he deems it suitable. Zhao Ziyang happily accepted the invitation.

During their visit to China, Brivic and his party held discussions with Bao Tong, vice chairman of the State Commission for Economic Restructuring. During their stay in Shanghai, Jiang Zemin, member of the Political Bureau of the CPC Central Committee and secretary of the Shanghai Municipal CPC Committee hosted a banquet in their honor.

**NPC Vice Chairman Meets Yugoslav Visitor**

OW0304123089 Beijing XINHUA in English  
0930 GMT 3 Apr 89

[Text] Beijing, April 3 (XINHUA)—Liao Hansheng, vice-chairman of the Standing Committee of China's National People's Congress, met Prof. Mijat Sukovic, former vice-president of the Federal Executive Council of Yugoslavia, in the Great Hall of the People here today.

Sukovic, also former president of the Foreign Affairs Commission of the Yugoslav Assembly, arrived in Beijing March 31 at the invitation of the Chinese People's Institute of Foreign Affairs. During his stay here, he has discussed with Chinese officials contemporary socialism and the theory and practice of reform.

**Hu Qili Meets Czechoslovak Visitors**

OW0404132289 Beijing XINHUA in English  
1122 GMT 4 Apr 89

[Text] Beijing, April 4 (XINHUA)—Hu Qili, member of the Standing Committee of the Political Bureau of the Chinese Communist Party Central Committee, met Jaroslav Kase, editor-in-chief of "NOVA MYSL", here today.

"NOVA MYSL" is a political and theoretical magazine of the Central Committee of the Czechoslovak Communist Party.

Hu said the Chinese Communist Party treasures its friendly relations with the Czechoslovak Communist Party and the Czechoslovak people.

China and Czechoslovakia should support and help each other and draw on each other's experience in the course of building socialism, he added.

Hu also briefed the visitors on China's current reforms and difficulties emerging in the course of advance.

Kase and his party arrived here March 28 on a visit to China at the invitation of QIUSHI (Seeking Truth) journal, a theoretical magazine of the Chinese Communist Party.

The Czechoslovak visitors are here for discussing cooperation between the two magazines, exchanging opinions on theoretical publicity and acquainting themselves with China's social and economic development.

They toured Guangzhou and Shenzhen before arriving in Beijing.

**Polish Spokesman on Multiparty System**

*OW0504084189 Beijing XINHUA in English  
0029 GMT 4 Apr 89*

[Text] Washington, April 3 (XINHUA)—The ruling Polish United Workers' Party does not fear a multi-party political arrangement in Poland, Polish Government press spokesman Jerzy Urban said here today.

The statement was made against the background that the Polish Government is nearing an agreement with the Solidarity trade union and other opposition groups on the country's political transformation. Solidarity will be allowed to run a campaign in the elections.

In his reply to XINHUA at a press conference held at the National Press Club, Urban said, "We do not believe a multi-party system could be considered a danger".

He said that a multi-party system has been in operation in Poland although it is ineffective and not fully operative, because the function of the parties are not equal.

The political agreement being prepared will stipulate that the ruling party, which up till now has been the majority in the parliament, will still hold majority.

But it will ensure increasing importance for other political parties, he explained.

He said that a new organism of political body will be emerging and generating future political parties.

**Political & Social**

**Beijing University Students Defy Meeting Ban**  
HK0604015389 Hong Kong **SOUTH CHINA MORNING POST** in English 6 Apr 89 pp 1, 5

[From Seth Faison and Lai Pui-ye in Beijing]

[Text] About 250 Beijing University students yesterday defied a ban and met for two hours to discuss how to speed up democratic change.

The meeting coincided with the 13th anniversary of the 1976 Tiananmen Square riots in which tens of thousands of supporters of Deng Xiaoping clashed with police, resulting in a heavy death toll.

Wary of any renewed anti-government activity, police yesterday sealed off the central area of the square to prevent people gathering.

They allowed groups of school children to lay wreaths at the Monument for the People's Heroes, arrested a young man distributing pamphlets and escorted an elderly woman holding a huge portrait of Chairman Mao Zedong up the monument.

At Beijing University, Professor Li Shuxian—wife of dissident Professor Fang Lizhi—attended the meeting and encouraged the students to speak out more.

Student response was restrained, if supportive.

Several students urged their official representatives to convince university officials to allow them to convene "democracy salons" openly.

Concern over student unrest last year led the authorities to prohibit gatherings not first cleared with school officials.

The square was sealed off at first light yesterday.

However, by 8 am, selected groups of school children were taken to the area by chartered buses and escorted by police to the Heroes' Monument.

The children sang patriotic songs as they walked in groups with their wreaths.

About two hours later, a youth claiming to be a representative of the underground Chinese Revolutionary League was seen giving out pamphlets to pedestrians close to the East Gate of the Great Hall of the People.

He was promptly arrested, and police retrieved his handouts from passers-by.

Shortly afterwards, an old woman turned up at the monument, holding Chairman Mao's portrait.

"I've been putting Chairman Mao's picture at the monument on April 5 every year since 1980," she said.

She was escorted up the monument and later sent home in a police jeep.

No attempt was made to disrupt yesterday's meeting of students and similar meetings held recently.

But students claimed that a lecturer from the University of International Relations was asked to stay away from such a forum by a senior Beijing municipal government official.

Many students said after the meeting that they had lost hope for any significant political reform in China in the near future.

"I don't understand why we can't have real elections for the National People's Congress, like they had last week in the Soviet Union," said an undergraduate chemistry student.

On Monday, Prime Minister Li Peng ruled out any significant democratic reform, saying that hasty or excessive change would undermine China's stability.

On the same day, a big-character poster went up on a Beijing University wall asking for support for more freedom in student activities.

Supporters were asked to sign their names, but only a handful did.

"It became a joke. That's very typical around here now; a few students try something bold, and everyone else laughs at how naive they are," said a graduate student.

Professor Li appeared less cynical. She spoke openly about the need for more democratic institutions in China.

"With regard to democracy, I have always felt that it doesn't matter if you're East or West. Its basis is in human rights," the dissident's wife said.

Professor Li, however, acknowledged that she was taking a chance by speaking to the students.

"This time, I come before you, courageously," she said.

She was nevertheless prepared for the worst.

"I speak here just like I speak at home, so go ahead and tap my phone," she said to the crowd.

Professor Li asked her audience for their ideas on social change in China.

The crowd was mostly silent. Some students smiled nervously. Then a bespectacled young man in a worn Mao suit stood up.

"I feel a kind of formless pressure on me that keeps me from speaking out," he said.

"We all do. Many of us don't know what to do. We want to speak out but we are afraid of all the people here listening. Graduation day is coming fast and jobs will follow."

Professor Li earlier this week put up her own poster at Beijing University, showing an invitation from Hong Kong to participate in commemorative events for the 70th anniversary of the May Fourth Movement to be held in the territory this spring.

The first event was a march yesterday by a group of students to the offices of the NEW CHINA NEWS AGENCY at Happy Valley.

Professor Li protested that her own university, where the movement was launched in 1919, was not paying as much attention to the anniversary as were universities in Hong Kong.

Yesterday, perhaps in response, a poster from the university student association was up prominently.

It outlined various events that would be organised to mark the May 4 anniversary, but stressed patriotism and unity, rather than science and democracy, which many intellectuals claim were the important legacies of the movement.

#### 'Heavy Surveillance' at Meeting

HK0604035789 Hong Kong HONGKONG STANDARD  
in English 6 Apr 89 p 6

[By Fan Cheuk-wan in Beijing]

[Text] More than 300 students at Beijing University defied heavy surveillance by security forces yesterday to attend a "democratic salon" in support of greater democracy on campus.

Professor Li Shuxian, the wife of Professor Fang Lizhi, the country's best-known dissident, was invited to speak at the gathering.

Her appearance attracted a heavy police presence. Plainclothes security officers and school security guards were clearly in evidence around the field where the salon was held.

The guards could be seen taking pictures of Prof Li and the students, and making a tape recording of the discussion.

The gathering was interrupted by school authorities, who ordered campus staff to turn on a sprinkler system which sprayed water over the crowd.

The unexpected shower, which began 45 minutes after the start of the salon, forced a 10-minute interruption while the crowd moved to a pavilion to continue the discussion.

"The operation of the sprinkler indicated the school authorities wanted to disturb the salon. There are so many fields on the campus, why should the staff turn on the sprinkler on the one where we are having the discussion?" said Prof Li.

She said school authorities had overreacted to the discussion.

"These student gatherings do not contravene the school regulations and the salons can vitalise the campus atmosphere. I don't think there should be any reason to restrict such meetings."

During the discussion, students urged school authorities to approve regular gatherings of the salons, at which participants debate democratic ideas and national affairs.

Students accused authorities of preventing speakers from attending the salons and putting pressure on organisers.

Professor Li, a physics lecturer at the university, vowed to support the students' protest against controls on freedom of thought and speech.

"As a People's Congress deputy elected by students of the Beijing University, I supported the petition of the students to strive for more democracy on the campus," Professor Li said.

Mr Wang Dan, initiator of a signature campaign, said authorities had put heavy pressure on him over his activities.

"The officials persuaded me not to stir up disturbances on the campus and warned me not to discuss sensitive topics," Mr Wang said.

#### 'May 4th Movement' Anniversary Celebration Slated

OW0504141389 Beijing XINHUA in English

0636 GMT 5 Apr 89

[Text] Beijing, April 5 (XINHUA)—China will mark the anniversary of the "May 4th Movement" of 70 years ago on an unprecedented scale this year to inspire the people in the drive for modernization.

The celebration is aimed at carrying on the revolutionary and patriotic tradition of the movement and developing its spirit of democracy and science.

Newspapers and journals have published many articles on the anniversary. During April and May, party and government organs, the Communist Youth League, research institutions and mass organizations will sponsor a series of symposiums.

Discussions will cover a wide range of subjects, such as the development of Marxism in China since 1919, ideological trends in modern Chinese history, the present orientation of youth movement, and attitudes to traditional Chinese culture and foreign cultures.

"A Brief History of the May 4th Movement," by Professor Peng Ming of the People's University of China, will be published soon, and outstanding young people will be commended.

As part of the celebration, the country's first youth cultural, scientific and technological fair will be held in more than 100 cities. They will include such activities as book exhibitions, displays of scientific achievements by young people, fashion shows, art performances and sports events.

Schools of higher learning will take part in the celebration. In Beijing University, where the May 4th Movement started, a number of forums and lectures will be held. One forum will discuss "The May 4th Movement and the Beijing University Spirit."

A group of leading Chinese scientists will gather in the Beijing Science Hall for a forum on the theme of science, democracy and modernization.

On May 4th, senior Communist Party and state leaders will join young people from all walks of life in Beijing's Great Hall of the People in a grand ceremony marking the anniversary. The meeting will be broadcast and televised nationwide.

The anti-imperialist and anti-feudalism movement began on May 4th, 1919, when thousands of Beijing students demonstrated in Tiananmen Square, protesting against China's poor treatment by the imperialist powers at the Versailles Conference and the then traitorous Chinese Government.

It later spread across the whole country, with merchants and workers also taking part. Under public pressure, the Chinese representatives to the conference refused to sign the Versailles Peace Treaty.

The movement also had a cultural edge. Intellectual activists called for the early arrival of "Mr. Democracy" and "Mr. Science" and the abolition of Confucianism. It is believed to have promoted the spread of Marxism in China and the founding of the Chinese Communist Party in 1921.

In 1939, youth organizations in China's liberated areas set May 4th as the country's youth festival. Shortly after the founding of New China, the day was officially proclaimed the Chinese Youth Festival.

In his speech at a gathering marking the 20th anniversary of the movement in Yanan, the Communist Party leader Mao Zedong called on Chinese intellectuals to integrate with workers and peasants. This exhortation was the keynote of "May 4th" celebrations for a long time.

However, since the late 1970s the focus of attention has been shifted to democracy and emancipation of the mind, a development that has given great impetus to China's modernization drive.

**Scientific, Democratic Solutions Urged**  
*OW0604043089 Beijing XINHUA in English*  
*1331 GMT 5 Apr 89*

[Text] Beijing, April 5 (XINHUA)—Leading Chinese intellectuals met here today, and called on people to take a scientific and democratic attitude toward solving China's current problems.

Speaking at a gathering marking the 70th anniversary of the May Fourth Movement of 1919, professor Ma Dayou, member of the Chinese Academy of Sciences, said that although many revolutionaries have sacrificed themselves in their pursuit of science and democracy in the past seven decades, that pursuit is still the major task of the Chinese people today.

"Rule by law is the key and we must learn to use our Constitution to guarantee socialist democracy," he said. "China's pressing need is to establish the authority of the Constitution and make the National People's Congress the highest organ of state power."

Professor Peng Ming, a historian from the Chinese People's University and expert on the May Fourth Movement, quoted a progressive magazine, "NEW YOUTH", as saying in 1915, science and democracy were the only way to save China from the darkness of politics, ethics, academics, and ideology. "China's reality shows that we must carry on the democratic and scientific spirit of the May Fourth Movement," he said.

"There will be no scientific progress without a democratic environment, and the realization of democracy rests with the development of science," Peng said.

Deng Guangming, a professor from Beijing University, said the patriotism of the May Fourth Movement actually refers to the spirit of science and democracy.

"Without science and democracy, and with an uncultured population, China can never develop vigorously," he said.

Professor Wang Dezhao, an 84-year-old member of the Chinese Academy of Sciences who took part in the democratic movement 70 years ago, said science and democracy are the core of China's problems. "Major

decisions of the government will meet with a rebuff of their performance if they are not made through democratic procedures," he remarked.

Professor Sun Kaifei, a researcher from the Chinese Academy of Social Sciences, described democracy and science as the "symbol of the May Fourth Movement," saying that the best form of marking the historical event is to sum up past experience and find a smooth way to carry out China's modernization program and implement reform.

**May 4 'Propaganda Blitz' To Head Off Liberals**  
HK0604053189 Hong Kong **SOUTH CHINA MORNING POST** in English 6 Apr 89 p 8

[By Willy Wo-lap Lam]

[Text] Beijing is mounting a propaganda blitz to head off challenges to the regime by liberal intellectuals during the 70th anniversary of the May Fourth Movement.

Liberal intellectuals want to take advantage of the celebration to push for a faster pace of democratisation.

Seventy years ago, Beijing University students took to the streets to clamour for the early arrival of "Mr Science" and "Mr Democracy."

Early this year, Chinese authorities took a tough line by attempting to restrict celebrations of the anniversary.

Cultural officials also laid down four themes around which memorial activities must be held; patriotism, reform, a pioneering spirit and moving ahead with diligence.

In other words, say observers, people celebrating the May Fourth Movement must steer clear of the "troublesome" arena of "democracy."

But in recent weeks, Beijing has been taking a more flexible and subtle line.

During the just-ended National People's Congress, propaganda and cultural officials said it was permissible for intellectuals to uphold the tradition of democracy during upcoming memorial activities.

At the same time, Beijing is trying to "monopolise" the celebration by holding a marathon series of commemorative events.

According to a NEW CHINA NEWS AGENCY report, party and government organs, the Communist Youth League, research institutions and mass organisations will sponsor a series of symposiums.

China's first youth cultural, scientific and technological fair will be held in more than 100 cities. These will feature book exhibitions, displays of scientific achievements by young people, fashion shows, arts performances and sports.

In Beijing University, where the May Fourth Movement started, forums and lectures will be held.

A group of leading scientists will gather in the Beijing Science Hall for a forum on the themes of science, democracy and modernisation.

Climaxing the series of activities will be a function on May 4 to be attended by party and state leaders.

They will join young people from all walks of life in the Great Hall of the People in a grand ceremony marking the anniversary. The meeting will be broadcast and televised nationwide.

Chinese sources say that during these official functions, the focus will be on the "orthodox theme" of how the Chinese Communist Party has developed to the full the May 4 spirit of patriotism.

Other topics in "official" conferences include the development of Marxism in China since 1919, ideological trends in modern Chinese history, and how youths should develop the May 4 tradition by embracing patriotic values.

But these government-sponsored functions will probably fail to pre-empt private, radical celebrations.

These will include a "fringe" symposium to be held by a group of young lecturers and students at Beijing University.

A conference is also planned in the central China city of Wuhan comparing the May Fourth Movement and the French Revolution, whose bicentennial is also being enthusiastically observed in China this year.

Outspoken intellectuals such as astrophysicist Fang Lizhi and social scientists Su Shaozhi, Yan Jiaqi and Wang Ruoshui have been invited to address these private activities.

**First Foreigners Enter Lhasa Since Martial Law**  
HK0604095789 Beijing **RENMIN RIBAO** in Chinese  
6 Apr 89 p 1

[Report by Liu Wei (0491 0251) and Lu Xiaofei (4151 1420 7378): "First Group of Foreigners Enter Lhasa Since Martial Law Was Imposed"]

[Text] Lhasa, 5 Apr—The first group of foreigners arrived here since martial law was imposed. They are in a five-member delegation led by Laikexiarde [5490 0344 1115 1422 1795], chairman of the Zonghe [4844 0678] Co Ltd of the FRG. They came to assist with work here.

In July 1987, when FRG Chancellor Kohl visited Tibet, it was decided that his country would help rebuild a leather plant in Lhasa. A group of FRG experts came to Lhasa to make an inspection last autumn and it was decided that the FRG's Zonghe Co Ltd would invest 5.5 million deutsche marks to carry out the technological transformation project in this factory. The expert group has now begun work in Lhasa.

**PLA Unit Issues Open Letter to Tibetan People**  
*HK0604135689 Lhasa Tibet Regional Service  
in Mandarin 1130 GMT 6 Apr 89*

[Service report: "People's Liberation Army (PLA) Unit No 56016 Issues Open Letter to People of All Nationalities in Tibet—The Help and Support of People of all Nationalities in Tibet, Especially in Lhasa, Is Hoped for While the Army Enforces Martial Law"]

[Text] People's Liberation Army [PLA] Unit No 56016 issued an open letter to the people of all nationalities in Tibet on 1 April, which stated that the understanding, support, and help of people of all nationalities and all grass-roots masses in Tibet, especially in the Lhasa area, was hoped for while the Army is enforcing martial law.

The open letter said that acting on the orders of the Central Committee, State Council, and Central Military Commission, this Army unit is enforcing martial law. While we are at our posts we would like to salute and to express our sincere sympathy and solicitude for the people of all nationalities in Tibet.

It has been close to 20 years since we began to fight, work, and live in Tibet. Whether on the northern Tibetan highland (words indistinct), because we have fought shoulder to shoulder with the Tibetan people and shared (words indistinct) with the Tibetan people.

The open letter said that the Tibetan people are diligent and courageous. We have all along shown great respect for the Tibetan people. In their practice of production over the years, the Tibetans have created rich material and spiritual civilizations with long histories. Especially under the correct leadership of the Central Committee and the regional party committee and government over the past 30 years, people of all nationalities in Tibet have given play to their own wisdom and talents. Consequently, earthshaking changes have taken place in industry, farming, herding, and all trades and professions. The Tibetan people have displayed a lofty self-sacrificing spirit and great patriotism in safeguarding the unification of our great country, opposing reactionaries, both Chinese and foreign, and separatists. Especially since 1987 the Tibetan people have come out boldly and resolutely fought against separatists in the ongoing riots in Lhasa created by a handful of separatists. Time and again they have crushed the evil separatist plots to split the motherland, thus safeguarding the motherlands' unification.

In conclusion, the open letter said that acting on the current order to enforce martial law in Lhasa, we aim to stand together with the Tibetan people to safeguard the political situation of stability and unity in Tibet, especially in Lhasa. The slogan for our action is: To safeguard the motherland, the law, and the people, and to render new meritorious service by stabilizing the situation in Tibet. We earnestly hope for the understanding, support, and help of the people of all nationalities and all walks of life in Tibet, especially in Lhasa, in the course of enforcing martial law to build an impregnable fortress in the fight against separatism through our joint efforts, so that stability and unity in society may be maintained and the people may live and work in peace and contentment.

**Paper Interviews Former Tibetan Rebel**  
*HK0604092789 Beijing RENMIN RIBAO in Chinese  
31 Mar 89 p 5*

[Article by RENMIN RIBAO reporter Lu Xiaofei (4151 1420 7378): "Before and After the Suppression of Rebellion in Tibet—An Interview With Former Tibetan Army Commander Lhalu Cewang Doje"]

[Text] This year 10 March marked the 30th anniversary of the armed rebellion staged by reactionary members of the Tibetan upper strata; and 20 March marked the 30th anniversary of the suppression of the rebellion by the Tibet Work Committee of the CPC and the Tibetan Military District, acting under orders. These two dates and the event that occurred 30 years ago brought back all sorts of memories to Lhalu Cewang Doje, vice chairman of the Chinese People's Political Consultative Conference [CPPCC] Tibetan Committee and former commander of the Tibetan Army. During an interview, he told this reporter the whole story of this extraordinary event.

It was a windy March 30 years ago. Lhalu Cewang Doje was then a third-grade lay official at Kasha [0900 0633] (the former Tibetan local government). Although the event was about to happen, Lhalu did not realize that he was facing a big choice in his life. The Kasha government trusted him, and the CPC and the People's Liberation Army [PLA] were treating him quite well.

The story began with the Dalai Lama's plan to see an opera at the military district headquarters. At that time the Dalai Lama had already established quite good relations with leading officials of the military district. Having learned that the military district's song and dance company had introduced some new programs from other parts of the country, he showed a great interest. The song and dance company did give a special performance for the Dalai Lama in the Potala Palace. However, as some big operas needed complicated stage lighting and sets, the Dalai Lama requested that Deng Shaodong, deputy commander of the Tibet Military District, and Guo Xilan, secretary general of the Tibet

Work Committee, let him see a performance in the military district headquarters. He chose to go there on the first day of the second Tibetan calendar month, that is, 10 March.

Lhalu said: I visited the military district headquarters very often at that time, and I still clearly remember that the name of the opera was "Rosy Clouds."

However, some people started a rumor that morning, saying that "in inviting him to see the opera, the military district was planning to seize the Dalai Lama as a hostage." The rumor spread very quickly in Lhasa. So some passionate Buddhists who had a strong regard for the Dalai Lama swarmed to Luobulinka [5012 1580 2651 0595] (the Dalai Lama's summer palace) to stop him from visiting the military district headquarters.

The source of the rumor was a junior clerical official named Danmajue (0030 3854 6030). Lhalu learned of this later from Cidan Puncog [2945 0030 1627 2238], one of his roommates in the prison where he served his sentence for involvement in the rebellion. As a member of the puppet people's representative assembly, Cidan Puncog, who died in prison, knew quite a few behind-the-scenes stories.

Lhulu did not think this rumor was credible. But he also understood that the masses would readily believe the rumor. "There are always some similarities between history and reality," he said when recalling the event. The recent riots in Lhasa were also accompanied by rumors. Those rumormongers used to take advantage of the disciples' affection for the Dalai Lama to sow discord, and many people may have been fooled by them. Whenever a riot is stirred up, it will quickly become a big problem. And that was how the 10 March incident occurred. The furious mob beat a patriotic clerical official named Kanqiong Suolang Jiangcuo [1030 4522 4792 2597 7100 2238] to death in front of Luobulinka, tied his body to a galloping horse, and dragged the body in the street before the public. Some people even shouted: This is the end of a pro-communist element. The riot led to a further escalation of violence, so more people were involved in the incident. That was what the riot organizers expected, as they were itching for a fight.

History had selected the 37-year-old third-grade official Lhalu before he himself could make his own choice. On 11 March, Lhalu received an order telling him to attend an urgent meeting at Luobulinka. During that meeting, Zhongyiqinbo [0112 6230 2953 3134] and his ilk revealed their plot for "Tibetan independence," which was presented to the meeting by Secretary General Jueding Tudengnuosang [6030 7307 0960 4098 6179 2718]. In fact, the slogan of "independence" was nothing new. The history of Tibet had witnessed quite a few struggles between those for and against "independence." But this time the "independence" faction seemed to be well prepared for a real battle—all their so-called regular troops were gathered and deployed, and some irregular

armed forces from Kangba and other areas were also eager for a fight. Lhalu himself was also quite excited. During the urgent meeting he quoted a Tibetan proverb—"Taking the egg without panicking the hen"—to explain his battle plan, which won him some applause.

On 12 March he attended a meeting on the "Snow" terrace at the Potala Palace. During that meeting he was elected general commander of the Tibetan Army, and four other officials, two monks and the rest laymen, all at the fourth grade, were elected deputy commanders. His appointment was unexpected. Perhaps the officials present at the meeting admired his talent in both civil and military affairs, or perhaps they appreciated the potential that he had displayed as a leader during a speech delivered the day before. Anyway, he was too busy to find out why he was elected.

Lhalu said he himself sincerely inclined toward peace at the very beginning, as he had had personal experience with the mighty PLA in the Qamdo campaign. However, as the situation had deteriorated to such a hopeless stage, he had no choice but to fight. The first thing he did after the new appointment was to sort out the rolls of the fighting forces. After that he inspected his troops' positions and inquired about the armaments of all the temples, as well as the military deployment for guarding the back gates of temples and important ferry piers. He worked an entire busy day to make all these arrangements, and the efficiency was really quite high.

However, Lhalu was not lucky enough to hold his new post for long. Due to internal discord, some people did not obey him and his predecessor was not willing even to vacate the post. So Lhalu was forced to step down during a clamorous meeting on the afternoon of 13 March.

After that, Dalai, instigated by some people, fled his palace on the night of 17 March. Then, on 20 March, the PLA was ordered to put down the rebellion. On that night when the PLA started the operation by shelling the Tibetan Army's positions at Yaowang Hill, Lhalu could not get to sleep. He tried again and again to contact the Tibet Military District headquarters by phone and hoped to cross over to the other side at the crucial moment. But it was too late, and he just could not get in touch with the PLA. He did consider fleeing Tibet, and his servants did arrange everything for him—horses were available and luggage was packed. However, he began to hesitate when he thought of his pregnant wife who could give birth to a baby at any time and his two very young children. It would be difficult to escape if he brought his wife and children along with him. But leaving the family behind would mean shifting the misfortune onto them which would make him feel more deeply guilty. At last he chose to surrender in the hope that the PLA would give lenient treatment to him as a prisoner.

Lhalu spent 6 years in prison, undergoing reform through labor. The PLA kept their promise, and he suffered no maltreatment during his days in prison. He

still remembers what happened when he was tried during the democratic reform. "I saw furious people swarm toward me like a tide, and I thought that was my doom. But PLA fighters shielded me from the masses' spitting and beating," he said.

The life in the reform-through-labor camp was tough and forced labor was compulsory there. Lhalu did feel sorry about his decision and was frustrated for a while. If he had fled abroad rather than stay in Tibet, he thought he would have become a somebody with his talent and wealth. However, two things brought hope back to him, the first being the policy of "allowing prisoners to mend their ways" publicized by the camp instructors, and the second being the study of Chairman Mao's theory on self-reliance. He asked himself: Why can't I change my fate with my own hands?

Since then, those who were imprisoned like Lhalu because of involvement in the armed rebellion found that his attitude had changed, as he worked very hard and sang songs while working. He said the CPC's policy had changed him. He was later elected to be a reform-through-labor model and won a certificate of merit every following year. In 1965 he was released and settled down in a village just outside the city. He was elected a member of the standing committee of the CPPCC regional committee in 1977 and a member of the CPPCC National Committee later the same year. In 1983 he was elected vice chairman of the CPPCC regional committee.

On the occasion of the 30th anniversary of the suppression of rebellion and democratic reform in Tibet, Lhalu Cewang Doje told this reporter: History has shown that my choice was correct. When he learned that many of his old colleagues of the Kashag government are now living lonely abroad and cannot return to Tibet despite their strong desire to come back, he still more strongly feels how happy his family is to be able to live in the homeland.

**Voice of Opposition in NPC 'Growing Stronger'**  
HK0604074789 Hong Kong HONGKONG STANDARD  
in English 6 Apr 89 p 5

[ "Analysis" by Wu Zhong]

[Text] The National People's Congress (NPC) has long been called the "machine of raising hands" and the "political vase" (to accommodate the country's political flowers).

But its image started to change when opposition votes appeared in the second to last annual session.

The voice of opposition was faint and many felt it strange to hear such a voice in their country's top legislature.

The voice has been growing stronger.

In his Report on Government Work this year, Premier Li Peng criticised his part in the economic problems that battered the country last year.

Yet a few NPC deputies demanded more, insisting on knowing who was to blame.

They attacked the State Council for not strictly carrying out the economic development plan approved by the NPC last year.

They accused the NPC Standing Committee of failing to exercise its constitutional power to supervise the work of the State Council.

Mr Wan Li, chairman of the NPC Standing Committee, had to acknowledge he had neglected his duty. And later Mr Li admitted he held "unshrinkable" responsibility for errors in government work.

This is the first time either the NPC head or the premier has made a self-criticism during the annual NPC session.

It is a sign the NPC is starting to gain self-confidence. It wants to become the top legislature and to put the government under its supervision.

Another episode may also prove revealing.

A petition with 24,000 signatures appealing for the release of political prisoners was supposed to be handed to the NPC Standing Committee by a Hong Kong group. The letter was confiscated by Tianjin customs officials "in accordance with the law."

But Mr Wang Hanbin, vice-chairman of the Standing Committee, declared it was the people's right to express opinions to the NPC.

Mr Wang later said the action was "improper" and slammed a customs officer for treating Hong Kong reporters rudely.

This is probably the first time the NPC has expressed differences with the government.

The highlight came in the closing session when deputies were asked to vote on a proposal by the State Council to grant legislative power to the People's Congress of the Shenzhen Special Economic Zone.

The fact that more than 1,000 of the 2,688 members voted against or abstained is unprecedented.

It may be of significance that all such events happened in a single annual session.

As the NPC gradually claims independence, a new division of power will take place.

A new structure, a triangular pattern of power will probably take shape soon, with the ruling Communist Party still in the dominant position.

This will prove a challenge to the NPC and the quality of its members.

Up to now, NPC members have not been directly elected but selected by People's Congresses from every sector of life.

Most are not full-time legislators. Their duty is to attend the two-week annual session. More than a few are illiterate or ill-educated. How can one expect them to scrutinise legislative motions?

Furthermore, the majority do not have the background or legal training. Even in this year's session, only a minority could raise proper issues.

Most motions are suggestions concerning trivial government work. This shows most legislators do not know what legislative work is about.

Some people think the NPC should not have so many members and suggest eliminating those who cannot read or who cannot understand legal language.

If the NPC wants the independent power of legislation, the quality and selection of members would be the major obstacle to overcome.

**Contention for Ministerial Posts Viewed**  
HK0604060489 Hong Kong CHENG MING in Chinese  
No 138, 1 Apr 89 pp 8-9

[Article by CHENG MING special correspondent Kuan Yeh-cheng (7070 2814 2052): "The National People's Congress and the Contention for Ministerial Posts"]

**[Text] No Mention of One Country, "Two Systems" Allowed**

Before the convening of the National People's Congress [NPC] and the Chinese People's Political Consultative Conference [CPPCC] sessions, the CPC did a great deal of preparatory work. A most important work was to try to exercise control over the meetings so that they might not "go too far," especially to dissuade the participants from mentioning the "two systems"—multipartism and the private ownership.

On 8 March, the CPC called the party-member NPC deputies of various provinces, municipalities, and autonomous regions, especially those from among the workers and peasants, to an advanced meeting in Beijing.

#### Party-Member Deputies Came to Beijing Earlier Than Others To Get Instructions

Soon after the party-member deputies, who are believed to belong to the category of "first loyalty," arrived in Beijing, they were divided into several groups and began to attend some meetings. These basic masses of the CPC were needed to ensure the smooth progress of the Second Session of the Seventh NPC and the CPPCC plenary session. They were instructed to make a counterattack on antiparty and antisocialist remarks as soon as they appeared. The leaders in Zhongnanhai ordered those "core members" to pledge with their party membership that no mistakes would be made during the two sessions.

#### Conditions for "Democratic Parties" To Exchange for Official Posts

Other sources said that the United Front Department of the CPC Central Committee had discussed with the responsible persons of nine "democratic parties," promising to let members of the democratic parties hold ministerial posts in the central government. However, a condition for the exchange was that they should not talk about the "two systems"—"multipartism" (politically) and "private ownership" (economically)—at the forthcoming "NPC" and "CPPCC" sessions.

#### Deng Xiaoping: The Participation in Government and Political Affairs by Various Parties Is a Distinguishing Feature of China

On the question of participating in government and political affairs by the democratic parties, Yan Mingfu, member of the Secretariat and head of the United Front Department of the CPC Central Committee, had met with the responsible persons of various democratic parties one after another over the past few months in order to solicit their opinions. The responsible persons of eight democratic parties almost said in one voice: We have been cooperating with the CPC very successfully, and we all support the leadership of the CPC.... When Deng Xiaoping heard a report about this, he was very pleased and said: Our party and the democratic parties have been going through thick and thin together and become as close as brothers. If we revise our Constitution and have different parties exercise the leadership power by rotation, if we adopt multipartism and establish some pure opposition parties, there will certainly be a great disorder in China. Deng Xiaoping also told Yan Mingfu that the participation in government and political affairs by various democratic parties is a distinguishing feature of China. However, some people commented that by singing the praises of the CPC, the "democratic personages" were just intending to get some seats in the State Council.

#### Contention for Entering the Cabinet Is Heated

At a recent forum, Jia Yibin, deputy head of the CPPCC United Front Work Group [as published] and vice chairman of the Revolutionary Committee of the Chinese Kuomintang, made a speech that was full of high-sounding words such as upholding the Constitution,

adhering to the four cardinal principles, and supporting the leadership of the CPC. Some people said that what he had said made them feel strange and unnatural, not knowing whether this old gentleman had lost his mind or was trying to show off his cleverness. Some others said that the CPC should let him join the party and make him a minister. Some even said that he could become a vice chairman of the CPC.

It is said that the contention for ministerial posts has become very sharp among and within various democratic parties.

#### Chinese Reporters Are Not Allowed To Meet With Foreign Reporters Alone

Before the NPC and CPPCC sessions were held, the CPC reiterated the security discipline again and again from above to below. In the recent issues of GONGAN DONGTAI [PUBLIC SECURITY TRENDS], the Ministry of Public Security and Ministry of State Security said that recently, quite a few reporters have provided foreigners with secret information, classified documents, and internally circulated reference materials. It was reported that six reporters in Guangdong and Fujian had been arrested one after another because they had supplied foreigners (chiefly Americans and Japanese) with secret information.

A new measure is to prohibit all reporters from meeting with foreigners alone. If needed by their work they have to meet with foreign reporters, they must choose party-member reporters to do so and must have at least two together. If they meet with foreign reporters without permission, they will be considered as having violated discipline and will be investigated and dealt with seriously. Those who are allowed to meet with foreign reporters must report to the higher authorities after the meeting. It is said that during the meeting period, security discipline will be very strictly enforced.

#### CPPCC Vice Chairman on Tibet, Democracy

OW0204052789 Beijing in Mandarin to Taiwan  
0400 GMT 28 Mar 89

[Text] Dear listeners: On the morning of 27 March, at a plenary meeting of the Second Session of the CPPCC National Committee, Hou Jingru, a respected vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang, was elected vice chairman of the CPPCC National Committee. Before his election, this station reporter interviewed Mr Hou.

Mr Hou, who is 86 years old, said: I didn't know I was a candidate until I returned home from Hong Kong yesterday. I was quite ashamed, for I was old and had not done anything for the state and the people.

This reporter said: You can't look at the matter this way. You participated in the First and Second Eastern Expeditions in 1925, the Northern Expedition in 1926, the

third armed uprising of workers in Shanghai in 1927, and then the Nanchang Uprising. You risked your life and suffered injuries on various occasions, thus contributing much to the state and the people. How can you say that you have not done anything?

After having thought about this for a while, Mr Hou said: These are history.

This reporter replied: Although they are history, the state and the people won't forget them.

After liberation, Mr Hou Jingru assumed the posts of counselor to the State Council, member of the National Defense Committee, and vice chairman of the Central Committee of the Revolutionary Committee of the Chinese Kuomintang. He also assumed important leading posts in Beijing Municipality. He was elected a member of the Second, Third, and Fourth CPPCC National Committees, and a standing member of the Fifth, Sixth, and Seventh CPPCC National Committees. Mentioning this in a thoughtful tone, Mr Hou said: I know this honor is given to me by the state and the people. I will cherish it and do my best to seek the reunification of the motherland for the rest of my life.

Touching on the NPC session, Mr Hou said: I think the work report was written in a practical manner. It not only mentioned achievements and existing difficulties and problems, but also openly admitted mistakes and outlined solutions to them. It has convinced me very much.

He added: Last year at the [words indistinct] of the two sessions, I said that poverty and weakness always go hand in hand with closed-doorism, while wealth and strength grow with opening. I still think so. We should not attribute problems arising in advances to reform and opening.

This reporter asked the old man about the sensitive issue: You must have heard in Hong Kong that, recently, scores of intellectuals jointly wrote to the CPC Central Committee.

Mr Hou said: I have not thought much about this issue. I think democracy should continue to develop. It doesn't break the law to write to the CPC Central Committee to voice opinions, including sharp criticisms. We cannot say it is wrong to do so. However, I think there is a point we must consider; that is, we must weigh the endurance of the state and the people while developing democracy. We must take national stability into account.

This reporter asked Mr Hou: The central government has imposed martial law in Lhasa because of the recent riots in Tibet. This has invited comments from foreign wire services. What are your opinions on this issue?

He replied: Many broadcasting and television stations as well as newspapers have reported this issue. This is an issue which brooks no discussion. Like the Taiwan issue, it is a serious issue concerning the reunification of the motherland.

Humorously citing the old saying that, if you fail to make a firm decision in time, you will suffer, he said: The decisive measures adopted by the State Council have not only maintained stability and safeguarded the interests of the Tibetan and Han peoples, but they have also inspired the Chinese people. When Premier Li Peng referred to this issue, he was warmly applauded for a while. This was a good reflection of the wishes of the Chinese people as a whole, wasn't it?

**Neo-Authoritarianism, Democracy Debated**  
HK0504101889 Hong Kong HSIN WAN PAO  
in Chinese 5 Apr 89 p 4

[“Special Feature” by contributing correspondent Wan Po (2429 3134): “The ‘People’s University Congress’ Outside the Great Hall—Big Debate Between ‘Neo-Authoritarians’ and ‘Democrats’”]

[Text] It was the final evening of the Chinese National People’s Congress [NPC] and the NPC deputies were discussing state matters and government affairs. A group of intellectuals was also at “Renda” (the People’s University of China) in the western suburbs of Beijing, endlessly debating China’s political system.

**A Debate Lasting 4 Hours**

On the evening of 3 April, two opposing groups in China’s theoretical circles, representing “neo-authoritarianism” and “democracy,” held a 4-hour debate on democracy.

Both sides were well represented. The democrats seemed to dominate, with more people in number. Rong Jian, Li Ming, Wang Yizhou, and Wu Qianjia, who has been active in debates the past 2 years, showed up. More than 10 other democrats, who had just returned from “The Theory Symposium on Middle-Aged and Young People in 10 Years of Reform,” also specially came to render support.

At the table of the advocates of neo-authoritarianism were seated Wu Jiaxiang, an investigative and research worker of the General Office of the CPC Central Committee; Zhang Baikui of the Political Science Institute of the Chinese Academy of Social Sciences; Zhang Bingwen, a doctor of philosophy of Beijing University; and Ding Ningning, an economist of the Development Research Department under the State Council. They seemed to have also brought all the authority and spirit that the advocates of neo-authoritarianism represent.

Is there a need for neo-authoritarianism? How should democracy be realized? This direct confrontation pushed the debate between the two schools of thought in various newspapers and magazines to a new height. Both sides admitted that the trend of development in China is headed for democracy. But whether the formation in current China of such prerequisites for political democratization as the market economy, plural interest groups, a sense of democracy, and so forth is possible; whether these remain the ways to realize democracy; and other problems all became the center of debate between the two sides.

Citing the experiences of the “four little dragons,” the advocates of neo-authoritarianism considered that the promotion of democracy in China at present will naturally lead to chaos. Democracy must be gradually introduced by people of authority. There is the need for the political elite and the intellectual elite to set the stage for social political forces, complete the work preceding the creation of democracy, and realize political and economic duality. This is a fundamental way to solve China’s problems. On this basis, they suggested that economic reforms involving the introduction of the stockholding system and the establishment of the system of individual ownership of property must first be carried out.

Representing the advocates of neo-authoritarianism, Ding Ningning said that this road may perhaps be wrong. But at least in current China, we have no other choice.

**“Authority Leading to Despotism”**

The democrats argued heatedly against this idea. They considered that the introduction of neo-authoritarianism in China will naturally lead to despotism. Democracy is a historical process. It must be fought for by the people and not conferred by those in authority. Therefore, the reform of the political system must go hand in hand with the reform of the economic system. Economic liberalization and political democratization promote each other. In their opinion, neo-authoritarianism undoubtedly despises human rights and civil liberties.

It has been learned that the debate held on the eve of the Second Session of the Fourth NPC was organized by a student organization of the People’s University of China. About 2,000 students crammed into a big classroom for 800 people, applauding and cheering exciting parts of speeches by both sides. There were also many students jeering the occasional personal attacks made by both sides in the heat of debate.

After listening to the debate, Sun Liping, a research student of political science at Beijing University, pointed out: “Neo-authoritarianism” worries about a country not being under rule. The “democrats” worry about the nonexistence of democracy. He spelled out a third worry: Given the chaotic situation marked by an absence of democracy and an absence of order in present-day China, the decline of authority and the escalation of

privileges are giving rise to a vicious cycle. Its momentum can hardly be stopped by "neo-authoritarianism" or "democracy." He considered that this is a most realistic concern. Several people on both sides warmly applauded his statement.

### The Only Way Is To Leave the Conclusion to History

Xia Tao, president of the Postgraduate College under the Chinese Academy of Social Sciences, who presided over the meeting with an inclination toward the democrats, did not comment on the debate. But he declared that the conclusion about what is truth can only be left to history.

A student critically said that it is irresponsible to simply leave this task to history. At least, we cannot forget the 1.1 billion people inside and outside the Great Hall of the People.

**GUANGMING RIBAO** on Neo-Authoritarianism  
OW0604045689 Beijing **GUANGMING RIBAO**  
in Chinese 17 Mar 89 P 3

[Article by Liu Jun (0491 6511) entitled "A Brief Introduction to the Debate on 'Neo-Authoritarianism'"]

[Text] The debate on neo-authoritarianism first broke out among middle-aged and young scholars in Beijing and Shanghai and lately it has begun to draw the attention of theorists and intellectuals as well. The following is a summary of the viewpoints aired so far:

#### I. What is Neo-Authoritarianism

So far, there is no conclusive definition of this term accepted by all scholars. Zhang Bingjiu (1728 3521 0036) holds: The new authority is composed of "new" and "authority." "New" means the leader has to be a product of modern ideology, "authority" means the leader has to have control over social power; and neither should be overemphasized at the expense of the other. The practical significance of this concept is that, under current conditions, it is more feasible to have strong leaders to forcefully press for modernization than to immediately implement full democracy. The top priority at the moment is to implement a dual system, that is, to implement a free enterprise system economically and a centralistic system politically.

Wu Jiaxiang (0702 4471 4382) maintains: In a sociological sense, neo-authoritarianism represents a transit stage from a traditional to a modern society. It has a universal significance, be it in England, the birthplace of modernization, or the extensive Third World of today. A neo-authoritarian society has the following characteristics: Economically, it is moving from a natural, or commodity, economy under the rule of the old authority to a free, or market, economy—a semimarket economy; politically, it is shifting from a dictatorship of the old authority to democracy—an enlightened autocracy.

Another way to tell the new authority from the old is to see whether it takes away, or protects, individual freedom, although the individual freedom guaranteed by the new authority is limited.

Xiao Gongqin (5618 0501 4440) asserts: The new authority only represents a special political state that a nonsocialist Third World country goes through during its early stage of modernization; and, as an authoritative political system, it is established by military and political strongmen with modern ideology and orientation. Its characteristics are: 1) Economically, it goes along with the mainstream of the market-orientated world economy; 2) politically, it relies on a colossal bureaucratic system and military might to rule from the top down; 3) ideologically, it identifies more with the traditional value system; and 4) it adopts an open policy, receptive to advanced science, technology, and culture of the Western world.

No sooner was it made public, than the theory of neo-authoritarianism caught the attention of theorists. Many voiced opposite opinions. Huang Wansheng (7806 5502 4141) contends that neo-authoritarianism basically is a comeback of autocracy. Wang Haocheng (3769 3185 2052) holds that neo-authoritarianism reflects the thinking and desires of farmer and small producers in a natural economy, and that the theory favors the rule by virtuous rulers and able officials. There are also scholars who argue that the concept of new authority cannot be called a "doctrine" as yet, for it is only a trend of thought. It has no strict definition, no complete theoretical system, and has insufficient experience to support it.

#### II. The Theoretical Basis and Feasibility of Neo-Authoritarianism

Wu Jiaxiang maintains that a society cannot skip a stage of neo-authoritarian rule and enter a democratic and free stage in one step from its former stage of traditional autocratic authoritarianism. Following the decline of the old authority, there will be a stage in which the power of the old authority has not yet wholly or partly fallen into the hands of the ordinary people, but has been intercepted by the intermediate social stratum created by the old authority. In this intermediate stage, society enters a state in which both authority and freedom are lacking. At this stage, there has to be a new authority to pull down the old social structure and shift the expanded power from the intermediate stratum to both ends of the social stratum, thereby ensuring the development of individual freedom on the one hand and creating a centralized state power on the other, to maintain social stability while promoting freedom.

The majority of neo-authoritarian scholars maintain that, despite the fact that the parliamentary democratic system is much more advanced than the autocratic system, because the conditions for promoting democracy are still incomplete in developing nations, the parliamentary democratic system is inferior to neo-authoritarianism in promoting social progress, because the latter

has centralized power to do so. Therefore, enlightened rule by an enlightened, strongman political system can maintain order and stability of society and provide a stable social environment for economic development and the development and maturing of an independent middle class. Xiao Gongqin was to the point by saying that neo-authoritarianism is a "visible hand," playing the role of creating an "invisible hand." These scholars maintain that examples of this can be found in both history and our modern times, such as the "honeymoon between autocracy and freedom" in modern European history, the "four little dragons" of Southeast Asia, and a number of Latin American states, whose economies are developing by leaps and bounds.

Xiao Gongwin points out: Neo-authoritarianism is a two-edged sword. It can lead to a smooth transition to a democratic system, and it can also retrogress to backward and conservative traditionalism. To Third World countries, neo-authoritarianism is a kind of scourge, but "a necessary scourge," which has to be accepted.

To ensure that neo-authoritarianism leads to modernization, Wu Jiaxiang suggests four conditions or pressures, namely, democratic public opinion, an economically independent middle class, and a progressive tide in state finance and the outside world. Only increasingly in-depth social crises can ensure that neo-authoritarianism does not degenerate into a traditional autocracy.

Xiao Gongqin maintains that neo-authoritarianism is only a political form chosen by the developing nations in their process of modernization. But in China, because of an interruption in its commodity economy which emerged after 1949, an independent middle class is currently nonexistent. Therefore, the background and conditions for implementing neo-authoritarianism are also nonexistent in China. However, as a political theory, no doubt, neo-authoritarianism is still of reference and enlightenment value to Third World nations, including China, in choosing a model for modernization.

### III. The Principal Reasons for Not Agreeing With Neo-Authoritarianism

Rong Jian [2837 0494] maintains that, viewed from the development of world history, all countries have to go through a development stage in which a free economy and centralized state power coexist in harmony. But there has to be a precondition, namely, politics and economy are independent of each other. In our own history, China's traditional centralized rule only existed with the precondition of a tied economy. Our present problem is that, without solving the question of the ownership system, it would be impossible to achieve an environment wherein politics and economy are independent of each other.

Wang Yizhou [3769 6654 5279] points out that there are three major flaws in neo-authoritarianism, namely, placing the hope of reform on an individual and trying to

promote democracy and freedom with personal authority; regarding economic results as above everything else and seeking them, even at the expense of political freedom and other values; and trying to take the safest road with easy operability as an excuse to seek quick success and instant benefit, while neglecting the ultimate and long-term values.

To counter the neo-authoritarian viewpoint that China's democracy at the present stage lacks operational functions and that democracy will give rise to upheaval, Huang Wansheng [7806 8001 4141] pointed out that democracy is a structural concept which has at least three levels. The first is the idealistic level, which maintains that, in terms of ultimate values and the humanities theory, each individual in society is a free, equal personality. This is a lofty ideal, the existence of which provides a clear-cut objective for perfecting the social and political system. If such an ideal is written off as romanticism, then what would be the objective for reforming the real political system? The second level of democracy finds expression in a social system which actually exists. It is an effective system, under which the common views in society represent a statistical majority and become the foundation of the authoritarian will. Under this system, no one can impose his will on the people. What is achieved by the decision of the statistical majority is often not the best, but it definitely is not the worst. This level demands rational democratic procedures, which are the basic functions of democracy as an institution. The third level of democracy finds expression in actual democratic practices in society. Democracy is not an empirical, but a practical, process. Only when people can actually get involved in democratic practices can they learn how to use democracy. Specifically because the advocates of neo-authoritarianism consider democracy as a means, they make special efforts to exaggerate the operational functions of democracy. Democratization should be unconditional and the human values of democracy should not be written off using nationalism.

Yu Haocheng [0060 3185 2052] said: All the "four little dragons" in Asia are free, export-orientated economies, strongly conditioned by the international market. The economic control which can be exercised by their governments, national or regional, is negligible and cannot be comparable with that of China, which is primarily a commodity economic entity, whose economy is strictly controlled by political factors. Furthermore, Europe's feudal history is also vastly different from that of China, and we should not expect a so-called "honeymoon for autocracy and freedom" in our modernization drive.

Zhou Wenzhang [0719 2429 1757] said: The major mistakes committed by advocates of neo-authoritarianism can be observed in the following: First, in China there is no question that authority is lost and has to be reestablished; the issue now is how to use this authority in a scientific manner. Second, they have unilaterally considered collective power as a magic weapon and have ignored the most important, central question, namely—on what should

"new authority" be built and maintained? Calling for "strongman politics" and "collective politics" in ambiguous terms is tantamount to pushing the sociopolitical and socioeconomic systems back to the prereform period, or calling for a total retreat from reform. Third, the advocates of neo-authoritarianism lack factual analysis and are simply copying the experiences and patterns of other countries and regions. (Editor's note: The Editorial Committee of "The Development of Human Resources" and the Publishing House of the Beijing Institute of Economics will publish the book "Neo-Authoritarianism: The Polemics on the Theoretical Principles of Reform" before 4 May. The book will help people understand the latest development in the debate.)

**Need for Reform of Philosophy Viewed**  
*HK0404044789 Beijing JINGJIXUE ZHOUBAO  
in Chinese 19 Mar 89 p 5*

[Article by Zhang Guangzhao (1728 1639 3564): "An Encounter Without the Guidance of Philosophy"]

[Text] If China's reform is an all-around and in-depth revolution, a domain, namely, the domain of ideology (especially the domain of philosophy), still remains untouched. Replacing the old ideology with a new is a primary prerequisite for social progress. It is difficult to predict which party will come off a victor in the "engagement." The reform cannot remain passive for a long time and it must quickly proceed on its own. Imaginative and creative power are man's most precious resources and it is these resources that we have failed to tap and make use of to a full extent.

Marxism is a theory of man's freedom and liberation. We start the proletarian revolution only for the purpose of creating conditions for fully realizing man's value. China steadfastly takes Marxism as the theoretical basis of their guiding ideology, but China is one of the countries which fails to have a thorough understanding of Marxism. The traditional understanding of "the fundamental tenets of Marxist philosophy" leaves much to be desired and we only have a superficial and particular knowledge of it. The profound reason for ossified and conservative ideas, paternalism, and the personality cult, which have been found in almost all socialist countries, is the failure to master Marxist philosophy, a critical weapon. A fault in theory is a vital fault resulting in all other faults. It is not difficult for us to find the connection between our present mistakes and our tradition.

A profound reflection is bound to lead to an examination of our own theoretical basis and mode of thinking. We cannot help seriously setting forth the task of distinguishing "what Marxism is" from "what is considered as Marxism." Deng Xiaoping pointed out, "What is socialism? What is Marxism? We did not have a sober understanding of these problems in the past." The reforms in almost all socialist countries were started when the countries were confronted with political, economical, and social crises, but the reforms cannot develop in the

form of solving the crises and they do not solely owe their successes to the help provided by economists, political scientists, and sociologists. They are teaching people to think deeply, but the thinking remains at a specific level. In a machine's control system, if the software such as programs and commands can be likened to the soul of the hardware, then in the case of a society, the philosophical thinking and ideology can be compared to the commanding system of the economical and political systems and social life. The modernization of politics, the economy, science and technology, and culture in a country is isolated behavior which cannot be successful through the country's own reform measures. Rather, the success of the modernization is dependent on the joint efforts of a number of factors in society and the most important thing is the modernization of man's ideas (see page 145, Volume 40 of "The Collected Works of Marx and Engels"). New thinking, new ideas, and new directions are to evolve from social progress. At present however, we do not stand high and see far, have an irresistible force, as well as thoroughness and profoundness which can only be provided by philosophy, when we criticize history, study reality, or look to the future.

It is impossible for the reform to proceed dramatically forever, but it should preserve its definite orientation and rallying force which attracts hundreds of millions of people to enthusiastically participate in it. No one can deny that the masses have a fit of the sulks which finds expression in listlessness, but this should not be the mental characteristic of a nation which is struggling for prosperity. There is every indication that the deepening and quickening of the reform calls for the injection of a new moral hormone and the light of philosophy should be ushered into every field.

However, people are adopting an attitude of negating philosophy to a considerable extent and they are carrying out social reforms without the guidance of philosophy.

Many people who consider themselves realistic regard such important matters as approaching the problems from a philosophical angle and transforming the old concepts as unpractical. As philosophy used to be taken as an implement of action instead of a weapon for understanding society, the practice of passing criticism by means of philosophy is brushed aside, too much is expected of it, and the philosophers who examine the fundamental points of traditional theory when the reform is under way are regarded as dissidents in society. Any profound reflection and reasonable queries are suppressed under the pretext that "there are no taboos against theory but in carrying out propaganda discipline must be observed."

Economists tend to begin their study by discussing economic problems in actual life, but as they proceed they will find that economic problems have something to do with the most crucial philosophical problems. Take the initial stage theory and the productive forces criteria for example. The problems the theories have given rise

to are as many as those they have solved. If we think of social progress as only an increase in material wealth and growth in productive forces instead of free and all-around developments in man, disregarding a series of major philosophical problems such as man's quality, the basic objectives of socialism, and the relations between individuals and society, how can we improve people's passive attitudes and how can we bring into play and preserve people's enthusiasm in revitalizing the Chinese nation? The above theories clearly smack of economics and pragmatism, indicating the predicament in which the economists find themselves, that is, they are confined by their theories yet are trying to break away from that confinement. Since a doctrine cannot provide anything which is not in its possession, transforming the mode of thinking and traditional concepts are the tasks to which economics are unequal.

Philosophers do not tell people what they should do and what they tell us is not necessarily the truth, but they tell people how to seek truth. This is more important. It activates the vitality inside social members and leads them on to approach and develop truth, and ceaselessly surpass reality.

China's current reform has to settle many more problems than prices and wages. If the price and wage system reforms prove successful they have extra implications. It is necessary to eradicate the mode of thinking in which we see only material factors to the neglect of human ones. What is the ultimate objective of reform? Per capita income of \$1,000? Comfortable families? Or adequate respect for human value? If we fail to straighten these problems out, we shall lose our bearings.

The traditional Chinese mode of thinking, which is characteristic of ethics, possesses narrow utilitarianism and ambiguous cardinal guides (ruler guides subject, father guides son, and husband guides wife) and constant virtues (benevolence, righteousness, propriety, wisdom, and fidelity). This makes Chinese favor intuition and makes them unable to surpass themselves and the situation in which they find themselves to make a thorough investigation of things "metaphysical." All doctrines which cannot serve the immediate interests or the authorities are often rejected.

When people call for applying theory to reality, they simply want theory to argue in favor of reality or want theory to give in to reality rather than analyze and criticize reality by means of theory. Neo-authoritarianism is just the prescription written out to serve this purpose. They have forgotten that Marx advocated more vigorously that reality should comply with theory. Therefore, whenever the evolution of practice and theory involves the problems of a higher level, or whenever the evolution of the concepts are on the verge of making a breakthrough, the authoritative interference from outside the theoretical circles is found. China has made an administrative ruling on the problems which theorists across the world find difficult to solve such as freedom,

alienation, humanitarianism, traditional culture, the division of one into two, and so on. But China did not apply a scientific approach, let alone laws, in making a theoretical study of these problems; it only resorted to emotion.

We are not Platonists. We are not of the opinion that philosophers should become kings and vice versa, but we insist that philosophers should be provided with the freedom for investigation as enjoyed by other theoreticians so that a force of self-reflection and self-criticism will be preserved for ever in society.

As soon as the lightning of thought has penetrated this domain which has remained intact, China's reforms and socialist construction will make a big step forward.

**Article Views Theoretical Problems in Reform**  
*HK0104014689 Beijing CHINA DAILY in English*  
*1 Apr 89 p 4*

[From the "Opinion" Column]

[Text] The following are highlights of an article in the Beijing-based newspaper, BULLETIN OF THEORETICAL STUDIES, discussing the theoretical troubles of the country's reform over the past decade:

While bringing historic achievements to the country, the reform efforts over the past decade have also pushed the economy to the brink of crisis. If all socialist countries must experience this stage in their reform, then, China has gone through this process in just 10 years instead of 20 years as East European countries did. An important sign of the complicated situation is that the country's ideological and theoretical circles have found themselves lost in one strange bind after another, from which they can hardly extricate themselves.

One such bind is seen in carrying out economic reform. That is, which should be given priority, price reform or ownership reform?

Those who prefer price reform stress the importance of creating a market environment favourable to fair competition. Under the current circumstances many products are priced by the State, and either overvalued or undervalued. So fair competition is difficult.

They say that only when price reform is finished can enterprises compete with each other on an equal footing and thus invigorate the economy.

But those who prefer ownership reform consider this school of thought somewhat utopian as fair prices can only be brought about in competition. Yet, if enterprises continue to be allowed to rely on the State as State-owned enterprises, no one can drive them into competition in a real sense. Price reform will have little effect on them in the long run.

### Inflation

But the ownership reformers also have their problems. Without a macro-environment favourable to market competition, loosening State control on enterprises can only create new troubles, such as monopolies, since there lacks the conditions for competition on an equal footing. Officials will also abuse their power in speculation.

In economic development, employment and inflation also create a strange bind.

Specialists maintain that double-digit inflation is the limit Chinese people can bear. To prevent a social crisis, inflation must be brought down with such means as curtailing excessive economic growth rate.

But to solve the problem of employment, annual economic growth rate cannot fall below 10 percent.

Inflation is terrible, but unemployment is no less terrible. Currently, millions of employees actually have nothing to do in their work units while each year several million people join the ranks of those who seek jobs.

Economists have finally realized that they have too much to do. Many of the problems they are encountering are not really economic problems at all.

Attempts to change the State job assignment system for college graduates for instance, meet with opposition—not because students do not want freedom in choosing jobs, but because they are afraid of being unable to cope with "back doors" and social connections.

Political scientists therefore argue that political reform should receive priority.

But political reform also has its strange binds. For instance, the question of carrying out elections first or educating the constituency first is a big problem. Democracy means acting according to the wishes of the majority of the people to a large extent. What will we do if the majority of the people say they have no use for democracy?

Disappointed with the low appreciation of the people for democracy, political scientists have found they have to be educators first.

Troubles also exist in cultural circles. Those who advance developing education to salvage the nation, at last find they have to save themselves first by engaging in business. The current economic and political structures, rather than traditional culture, they have found, are impeding the development of the country.

To change the people's ideas, they hold, the most important thing is to carry out economic and political reforms.

The social existence of man determines his social ideology, they say. The ball is now, once again, in the court of the political and economic circles.

### Controversy Over Millionaires, Party Membership

HK0304074189 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1022 GMT 31 Mar 89

[*"Controversy Over Whether Millionaires Can Join the Party"—ZHONGGUO TONGXUN SHE headline*]

[Text] Shenyang, 31 Mar (ZHONGGUO TONGXUN SHE)—The application to join the Chinese Communist Party made by a millionaire in Liaoning in recent years has provoked controversy.

Liu Xigui, 35, is the general manager of Xigui Transportation Company—the largest private enterprise in the northeast. The company owns 49 sets of machines for digging, excavating, packing, transporting, and unloading, and 5 small factories and 1 shop, with fixed assets of 5.2 million yuan, and a work force of 240 employees.

The application of a millionaire to join the party has become a difficult issue on which no one dares to make a decision. The Organization Department of Liaoning provincial party committee has revealed the issue in its journal "GONG CHAN DANG YUAN" [COMMUNIST PARTY MEMBER] in order to solicit opinions from the party members inside and outside the province. At once, different opinions have appeared.

People who have opinions against Liu's application think that, an owner of a private enterprise who has not separated himself from an exploitation relationship that actually exists is not entitled to be a party member.

Another group of people who have different opinions think that, since the CPC has shifted the emphasis of its function to economic construction, there can only be one criterion for judging whether a person is advanced or backward, that is, to look at whether he can promote the productive forces. Liu Xigui has made contributions in leading a portion of people to become rich ahead of others; if he meets the qualifications for party membership, why must we stick tightly to his class status?

Some people have further pointed out that in the mainland today, the relationship between employer and employee is a new cooperative relationship under socialist conditions and both parties are politically equal. Society has provided equal opportunities and rights for individuals to make contracts, run businesses, and establish enterprises. Both parties engage voluntarily in this process, the employees earn wages and can quit at any moment, and there is no so-called forced labor. Therefore it cannot be said regardless that private enterprises develop on the basis of exploitation. Moreover, private economy is not only permitted to exist, but is promoted and protected, and this is acknowledged by a document

passed by the CPC conference of party delegates. Furthermore, the party constitution does not contain a rule forbidding citizens engaged in private economy or making use of other people's surplus labor to join the party.

But the refuting opinions have it that, if the Marxist theory of surplus value is not outdated, then the fact that an exploiter who has occupied a million yuan of surplus value becoming a communist who will throughout his life fight for the elimination of the exploitation system is a very strange thing.

According to our information, there are 220,000 owners of private enterprises, some of whom are rich men with assets of over a hundred thousand or a million yuan, and there are men like Liu Xigui requesting to join the Communist Party. People are waiting silently to see the conclusion of the controversy.

**Official Calls for Birth Control Legislation**  
*OW0404070489 Beijing XINHUA Domestic Service in Chinese 1225 GMT 28 Mar 89*

[By reporters Xu Jiangshan, Zheng Zhanguo; from "Local Broadcast News Service"]

[Text] Beijing, 28 Mar (XINHUA)—Peng Peiyun, minister of the State Family Planning Commission, at a discussion meeting of the Heilongjiang delegation held on 27 March, pointed out that our most urgent task in connection with birth control is to step up leadership and accelerate legislation.

Peng Peiyun said: Currently, China is faced with a very grim situation in its birth control effort, what with some localities suffering from weak leadership and making false reports on their birth control. The party Central Committee and the State Council are very concerned about this. Premier Li Peng said that in the future, the State Council will hold two work meetings every year, chaired by him, to coordinate and solve birth control problems. Chief responsible comrades of local party committees and governments must take charge of the task personally, delegate responsibilities to subordinate units, and try to produce immediate results. Every year, the State Statistics Bureau will announce the natural population growth rate goals for each province, autonomous region, and municipality to step up its supervision of birth control work in each locality.

Peng Peiyun pointed out: In a bid to reduce high birth rates in poor areas, the State Council has decided to incorporate its work to help the poor with birth control efforts and will take steps to quickly "eliminate" the high birth phenomenon among the itinerant population.

As for birth control legislation, Peng Peiyun said: Without a legal basis, our birth control effort can hardly get anywhere. At this point, legislation is especially urgent.

The State Council has decided first to draw up provisional regulations on birth control this year and make formal legislation when the time is right.

**Jurists Cited on Need for Criminal Law Revision**  
*OW0504093889 Beijing XINHUA in English 0813 GMT 5 Apr 89*

[Text] Beijing, April 5 (XINHUA)—Some Chinese jurists are calling for the amendment and updating of the present criminal law. They suggest its stipulation on "counterrevolutionary crimes" be revised and the death penalty be restricted.

Cui Qingsen, of the Law Institute of the Chinese Academy of Social Sciences, said that capital punishment should be confined to cases in which public security is endangered and when the national economy is in turmoil.

It was appropriate in China in the first years of the founding of the people's regime, the jurist said, but it is no longer the case now, when the country's overall situation is characterised by stability and unity.

The favorable changes in Chinese society should be taken into account when considering revision of the criminal law, which was passed by the National People's Congress in 1979, CUI noted.

However, other legal specialists oppose amending the death penalty stipulations and hold that death sentences should be more widely imposed, including for such crimes as serious fraud and forgery.

Many jurists suggest changing the charge of "counterrevolutionary crime" to "crime jeopardizing state security" and amending certain clauses in related stipulations.

They hold that "counterrevolution is a political concept instead of a stringent concept of law, and does not suit the present situation."

They also recommend including in the code crimes linked to the illegal occupation, transaction and transference of land, damage to mineral resources, patent infringement, and diverting public funds.

Other crimes the jurists suggested be included in the criminal law include prostitution, drug abuse, serious pollution of the environment and the publishing and selling of illegal publications.

They said, "the criminal law should protect the socialist democratic system and the democratic lives of the people."

China has joined many international conventions since 1978 and experts on law hold that the criminal law should stipulate regulations on international criminal activities.

They pointed out that many new problems have cropped up in recent years and some stipulations of the criminal law have become outdated, with the result that quite a number of criminals are going unpunished.

**Stronger Supervision Over Taxation Urged**  
*OW0504045489 Beijing XINHUA Domestic Service in Chinese 1442 GMT 1 Apr 89*

[*"From Local Broadcast New Service"*]

[Text] Beijing, 1 Apr (XINHUA)—The Ministry of Supervision and the State Administration of Taxation recently issued a joint circular, calling on all supervisory and taxation departments to intensify their supervision over taxation, seriously handle all tax violations, and manage tax affairs according to law.

Abusing their authority, the leaders of certain local authorities and departments have interfered with taxation departments' tax collection, some have taken action to retaliate against those who reported their tax evasion and other fraud, and some have even blatantly refused to pay taxes. The circular calls on all taxation and supervisory organs to intensify their supervision over the enforcement of the tax law and make sure that all rules and regulations are observed.

The circular stresses: As far as the aforementioned problems are concerned, taxation organs should promptly report them to supervisory departments, and supervisory organs should investigate the reports and handle them seriously.

The circular notes: Taxation personnel must set an example in abiding by state laws and their work discipline. Taxation and supervisory departments at all levels must investigate, and seriously handle, the few taxation personnel who have renounced principles, who have violated the laws they should enforce, and who have sought personal gain by abusing their authority. If these people are found to have committed a crime, they should be referred to judicial organs to have their criminal responsibilities investigated according to law.

**State Council Issues Wage Management Circular**  
*OW0504020689 Beijing XINHUA Domestic Service in Chinese 1244 GMT 30 Mar 89*

[Text] Beijing, 30 Mar (XINHUA)—To curb total social demand and control excessive increases in expenditure, the State Council issued a circular today calling for further tightening of wage fund management.

The State Council circular says: The various localities and departments must earnestly implement the state plan on total wage payments and see to it that the plan is also implemented in their subordinate grass-roots units. These units must formulate their own wage fund payment plans, based on the state-approval total annual wage payments. The plan will then be listed in the unit's

"wage fund management manuals" after being examined and approved by the department in charge. The bank handling the unit's accounts will supervise the unit's wage payment operation, based on its wage fund management plan and refuse any payments in excess of the approved total wage payments. The various enterprises, institutions, offices, and organizations are allowed to establish only one account with the bank which handles the unit's cash settlement.

The State Council circular stresses that the central organs and the State Council will take all-around considerations and work out plans concerning the overall wage problem. No locality, department, or individual has the authority to upgrade the wage scale of their own region or the wage standard of their departments or institutions; to raise basic wages (including allowances and subsidies) by padding the cost or expenses of their enterprises; to decide on wage and bonus tax exemptions; or to raise the wages of staffers and workers by raiding other funds and by other such means. Violators of related state regulations will be given economic punishment besides being ordered to make prompt corrections. Leaders and personnel directly responsible for these violations will be investigated to apportion blame. Serious cases will be handled according to the law.

**Labor Service Changes Poverty-Stricken Areas**  
*OW0504030289 Beijing XINHUA in English 1311 GMT 2 Apr 89*

[*"Feature: Labor-Service Changes Poverty-Stricken Areas"*—XINHUA headline]

[Text] Lanzhou, April 2 (XINHUA)—When Chen Xiaolian graduated from a rural middle school, the 15-year-old girl was too young to engage in farming and found no other job in her home village.

"I was told that some urban families need nurses to look after their children. So I wanted to find something to do in a city," Chen said.

The rural girl from Pingliang County, one of the poorest areas in west China, was hired by An Limin, a painter and calligrapher in the Youth and Children's Center of Lanzhou, capital of Gansu Province, in May 1987.

"At first, what I did was to look after the baby in An's family. Soon, I became fascinated by painting and calligraphy.

"Thanks to Mr. and Mrs. An, who voluntarily helped me in learning, I have learned how to paint and write artistic lettering," she said.

At an exhibition held in Lanzhou at the end of last year, the rural girl's painting—landscapes of Chinese ink and wash—and calligraphy attracted the attention of many visitors.

Bi Huirong, a lady official at a job service center run by the Lanzhou Women's Federation, said that Chen is one example of those who had intended only to earn their bread at first, but found they were more accomplished in cultural and other fields after a couple of years of labor service in cities.

The labor-service experience not only enriches the life of rural young people, but also helps them to learn the skills to get rich, she added.

For example, Gong Jiaodai, a young peasant in Biyun Township of poverty-stricken Longxi County, went to Beijing in 1986 and served as a temporary worker in a silk carpet mill, thanks to the assistance of the local government. He mastered the modern skill of weaving carpets by learning on-the-job and returned to his home village in late 1987.

"Although carpet weaving is a traditional side-occupation in our village, the local carpets have been laid only on our own kang (a heatable brick bed in cold areas of northern China). I wanted to impart the new skill to our villagers, helping them find a way out of unemployment, as well as helping the state earn hard currency," Gong told XINHUA.

Gong Jiaodai soon established a carpet mill with 24 workers. As the quality of their products has been up to the proper standard, the Beijing Fengbei Silk Carpet Mill signed a processing contract with the mill. The staff of Gong's mill has been expanded to 60 workers and it is now expected to make carpets worth 600,000 yuan (162,000 U.S. dollars) this year. The figure was once unimaginable for places like Gong's village, where the annual per capita income averaged 200 yuan (about 54 U.S. dollars) a year.

Local officials said that labor-service has also given a number of households and villages specialized skills in textiles, paint production, bamboo weaving, hardware

processing, and manufacturing bricks and tiles. As a result, their incomes have doubled, trebled or risen even higher in only a few years.

Officials from the State Council's office in charge of rural construction in poor areas of Gansu and Ningxia said that over the past three decades, only three years saw the people in the dry areas of northeast Gansu and south Ningxia able to support themselves without state relief.

The 18 counties in Gansu Province cover 160,000 square kilometers with a population of 5.4 million. Drought has been a century-old headache for this densely-populated area, where each square kilometer is inhabited by 98.8 people, dozens of times more than the amount the area is able to support, according to surveys by the United Nations. (The United Nations' recommended bearing capacity is 6 to 7 people per square kilometer in areas with an annual rainfall of 350 mm or less, according to the officials.)

In 1983 the State Council decided to aid rural construction in such areas and allocated 160 million yuan (43 million U.S. dollars) to Gansu Province for its construction program. Labor-service and immigration from remote mountains to areas with better conditions are part of the construction program.

Official statistics show that labor-service has developed rapidly and brought in considerable revenue, while helping to train skilled laborers. For example, 208,400 villagers of the seven counties in Dingxi Prefecture were organized to join in labor-service and earned 90 million yuan (24.3 million U.S. dollars) in 1988—nearly 30 percent more than in 1987 and 80 percent more than in 1986.

As for those who have learned skills such as painting, playing the piano, or other special knowledge which is not terribly useful in rural areas, Bi Huirong, the lady official in Lanzhou, said that local women's federations will recommend that they be given work in kindergartens or government departments.

## East Region

### Revision of Fujian Government Work Report Urged *OW0404052589 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 1 Apr 89*

[Text] Entrusted by the provincial government, the United Front Work Department of the Fujian Provincial CPC Committee convened a forum for nonparty personages yesterday and today to solicit their views regarding the draft of the provincial government work report to be submitted soon to the second plenary session of the seventh provincial People's Congress. The forum was chaired by Zhang Kehui, member of the Standing Committee of the provincial party committee and director of its United Front Work Department. Vice Governors Chen Mingyi and Shi Xingmou, as well as responsible comrades from competent departments of the provincial government, attended the forum to listen to the views of nonparty personages. Some 30 responsible persons from the various democratic parties and mass organizations took part in the forum and aired their views freely, putting forth many suggestions concerning the draft report.

During the discussions, they pointed out that the government work report should be precise on achievements and should make in-depth and thorough analyses of difficulties and problems that have appeared, especially in providing clear explanations on the subjective reasons which brought them about. This will facilitate future work. Many of them argued that the work report must emphasize the issue of maintaining honest and clean government. They expressed the hope that the work report would spell out more specific and effective measures concerning the fight against corruption. There was a general feeling that the draft report did not place sufficient stress on education and lacked specific analyses and countermeasures concerning the issue. They recommended that the report be seriously revised.

At the forum, they also put forth many valuable views and suggestions on issues such as agriculture, forestry, commodity prices stepping up economic and trade cooperation with Taiwan, and realizing the role of democratic parties and mass organizations.

### Fujian Circular on Industrial Enterprise Reform *OW0404061789 Fuzhou Fujian Provincial Service in Mandarin 1100 GMT 26 Mar 89*

[Text] The provincial personnel bureau, provincial economic commission, provincial finance department, and provincial labor bureau, in a joint circular, recently proposed measures to be taken this year to deepen reform of enterprises in the industrial, transportation, and internal trade fields in the province. The proposal called for further efforts to perfect the contract system, while deepening reform of the industrial, communications, and internal trade enterprises this year. It stressed the need to practice the systems of public bidding and of running enterprises by lease to optimize the selection of

operators of the enterprises and comprehensively practice the factory director responsibility system and the system of responsibility by setting objectives during the term of service. Managerial personnel and professionals of all enterprises should be selected and contracted through open competition. These personnel should be open to promotion or demotion. All enterprises should actively, and carefully, promote dynamic and optimized cartels to make sure all surplus personnel are mainly absorbed by the enterprises themselves. All enterprises may streamline their offices and sections to transfer personnel to beef up the strength of the workshops. No departments are permitted to interfere with the enterprise's decisionmaking powers concerning the establishment of their organizations.

### Nanjing Teachers Quitting for Commercial Jobs *OW0504091489 Beijing XINHUA in English 1104 GMT 4 Apr 89*

[Text] Beijing, April 4 (XINHUA)—Although the living conditions and pay of junior high school teachers in South China's Nanjing Province [as received] have been improved in recent years, teachers continue to quit in droves to go to work for business firms.

Today's OVERSEAS EDITION of the "PEOPLE'S DAILY" said that 67 junior high school teachers from the city's Gulou District (12.8 percent of the district's total) left their schools for better jobs in the past two years.

The number of teachers who have asked for a transfer is double the above figure, the paper said.

Analysts say that the teachers blame poor treatment and working conditions at their schools for their desire to find a more congenial line of work.

The paper also said that 12 of the 67 teachers from the Gulou District who want to transfer to other work teach English.

If no measures are taken to improve the situation, no teachers of subjects like English will be left in the schools in a few years, the paper added.

### Technicians To Help Rural Businesses in Jiangxi *OW0104163289 Beijing XINHUA in English 0949 GMT 1 Apr 89*

[Text] Beijing, April 1 (XINHUA)—More than 10,000 local technicians and research fellows in Jiangxi Province have been sent under contract to township-run businesses in rural areas, the Beijing-based "GUANGMING DAILY" reports today.

The move will help to shorten the length of time between the achievement of research results and their application to production and construction. It will also give the technicians a chance to make full use of their professional knowledge and skills.

The technicians were chosen from research institutes, universities and government departments. Their contracts cover 266,000 hectares of farmland and 2,000 technical projects.

They may transfer to poor rural areas, resign from their original posts or have their posts and housing held for them while they run or manage technical projects in rural factories.

In addition, they will enjoy priority in getting raw materials and state funds needed in the projects to which they are contracted.

Local agricultural, commercial, bank, labor and personnel departments are urged to create favourable conditions for them.

**Conscription Work Launched in Jiangxi**  
*OW0504044489 Nanchang JIANGXI RIBAO*  
in Chinese 23 March 89

[By reporters Zhu Fayuan (2612 3127 0337) and Liu Gongping (0491 0364 1627)]

[Text] Jiangxi Vice Governor Zhang Fengyu stressed at a provincial telephone conference on conscription, held on the night of 29 March, that departments at all levels in the province must further step up their leadership of conscription work and make sure of getting the best-qualified servicemen.

The telephone conference came after conscription work was launched across the province. Major General Shen Shanwen, deputy director of the provincial leading group on conscription and deputy commander of the provincial military district, spoke at the conference. He urged military service agencies at all levels, especially the people's armed force departments at county, city, and district level, to give top priority to conscription work and devote their personnel, time, and effort to it. He said: Currently, the work should be focused on the county level and on political examination and selection to ensure the quality of the draftees. Those who are to receive the draftees should coordinate with local comrades to ensure that not one extra serviceman is drafted. Disqualified people should not be drafted by localities, nor accepted by the Army. Malpractices in drafting work must be corrected. The drafting departments must immediately investigate reports by the masses, to ensure that all problems, whether reported by the masses or not, are investigated. Those who do not complete the procedures or do not meet the qualifications should not be drafted, no matter who they are, or who intercedes for them. Those violating drafting orders and causing bad impact and serious results should be strictly dealt with immediately.

**Academy of Sciences To Boost Shandong Development**  
*OW0504121689 Beijing XINHUA in English*  
0702 GMT 5 Apr 89

[Text] Beijing, April 5 (XINHUA)—The coastal province of Shandong is becoming the focus of attention of scientists from the elite Chinese Academy of Sciences (CAS).

According to an agreement between Prof. Zhou Guang-hao, president of CAS, and Zhao Zhihao, governor of the province, the academy is to send a batch of scientists as deputy heads of 26 counties and cities there, largely in charge of science and technology development.

The agreement was reached after a research group headed by Prof. Zhou toured the province last month.

"Shandong will become an important base for CAS for technology development, personnel training and investigation of China's problems," an official from the academy said here today.

According to him, biologists, geographers and ecologists will be sent to the western part of the province for agricultural technology development while computer scientists and physicists will be assigned to coastal cities such as Yantai and Qingdao for high-technology development.

Currently, more than 200 scientists from the academy's 18 research institutes are working on 56 projects in the province's rural areas, whose total output value will reach 100 million yuan when all the projects go into production.

Last year the academy sent 33 scientists as deputy county magistrates, also with the aim of boosting the province's science and technology development.

**Shanghai NPC Deputies View Government Report**  
*OW0304225789 Shanghai City Service in Mandarin*  
2300 GMT 2 Apr 89

[Text] According to a JIEFANG RIBAO report, a question in which NPC [National People's Congress] deputies have shown a great interest is how we can ensure that our highest organ of state power will be able to do a good job in exercising its power. In order to responsibly examine the report on the work of the government, members of the Shanghai NPC delegation Ha Baoxin, Chen Bingsheng, and Qin Baoxing put forward the following suggestions:

1. The report on the work of the government should be distributed among the deputies prior to the convocation of the National People's Congress session so that the deputies may make ample preparations to examine and discuss it.
2. The report should specifically describe how decisions made by the last NPC session have been implemented. It may also include the reports of the several major departments concerned.

3. Detailed figures must be given in the report on the annual national economic plan and the report on how the state budget is being implemented; otherwise, it will be difficult for the deputies to examine and verify these reports.

NPC deputies from Shanghai Ye Shuhua and Shen Minkang noted: The Central Military Commission should submit the report on its work to the NPC in view of the fact that its chairman and officials are elected by this congress. The reason for this is not that the deputies want to know military secrets. Rather, it is because deputies should be kept informed of the commission's major activities so that the commission may operate under their supervision.

**Shanghai Radio Calls for Clean Government**  
*OW0504102489 Shanghai City Service in Mandarin  
2300 GMT 26 Mar 89*

[“Today's Forum” article by (Yue Hua): “Clean Government and Political Superiority”; from the “Morning News” program]

[Text] XINHUA has carried this piece of news: A department concerned conducted an opinion poll of workers in 16 large, medium-sized, and small cities on current political and social issues and issues concerning their daily life. The results show that 46 percent of the workers polled believe corruption and bribe-taking are the most prominent issues today, while 63 percent of them believe unhealthy party style is a problem that requires most urgent solution.

These figures explain why ordinary citizens have complaints today. Unhealthy party and government style cannot but arouse popular discontent. Apparently, dishonest behavior in government and party organs have become painfully widespread and serious. They are no longer isolated cases. Feasting, kickbacks, bribe-taking, extortion, waste, smuggling, speculation, embezzlement, and other corrupt practices have become so common in some places that the culprits no longer bother to hide their acts. These dishonest and corrupt phenomena have wrought havoc to the economic and political reform, to the image of the party and government, and to national unity. Their harmful effects will be felt not only by us today but also by our future generations. Therefore, their harm can never be overestimated. [passage indistinct]

The 3d Plenary Session of the 11th [as heard] CPC Committee pointed out that it is necessary to bring into play our political superiority in the course of deepening reform in an all-around way. I believe that in order to bring into play our political superiority, the most important thing to do today is to promote clean government. If the overwhelming majority of our party and government cadres are honest in performing their duties, they will set a good example for the people and become our political

asset. With this political asset, we will be able to win over the people, who will understand and support the drive to deepen reform with deeper faith.

Promoting honesty in party and government organs is [words indistinct]. It will become a strong motive force to push forward the deepening of reform. Conversely, the perception that the party and government organs are dishonest and corrupt will become a formless obstacle to deepening reform. Maintaining honesty in party and government organs is a long-term task. We must resolutely combat dishonest and corrupt practices, beginning now. Otherwise, our efforts to bring into play our political superiority will become an empty slogan.

**Foreign Investment in Shanghai Increasing**  
*OW0404013289 Beijing XINHUA in English  
1535 GMT 31 Mar 89*

[Text] Shanghai, March 31 (XINHUA)—In the first two months of this year, 116 million U.S. dollars worth of foreign investment poured into Shanghai, China's largest industrial city.

The money, which exceeds that of the same last year period, was invested in 45 projects, 87 percent of which are industrial.

Benefiting from the foreign funds will be light, textile, machinery, electrical and food industries. Products include electrical equipment for automobiles, cable, knitwear, polyester thread, fire-fighting equipment, plush toys, quartz and electronic watches and clocks, sports shoes, leather goods, mineral drinks and new kinds of foodstuffs.

The United States, Shanghai's largest foreign investor, provided 27 percent of the money and the remainder came from Hong Kong, Japan, Federal Germany, Singapore and the United Kingdom.

Forty out of the 45 projects, mostly joint ventures, invite a total investment of 76.49 million U.S. dollars. Four of the projects, in the form of cooperative production, produce Pepsi Cola, dental material and foodstuffs.

A Singapore businessman is involved in the real estate business in the Hongqiao District—specially set up for foreign investment. The project is the only one with exclusive foreign capital.

**Shanghai Industrial Output Increases in March**  
*OW0504000789 Beijing XINHUA in English  
1541 GMT 4 Apr 89*

[Text] Shanghai, April 4 (XINHUA)—The gross value of Shanghai's industrial output for March rose 13.3 percent, and that for the first quarter of the year by 8.9 percent, over the figures for the corresponding periods last year.

An official of the city's Statistical Bureau said Shanghai has adjusted production this year to concentrate on boosting the manufacture of daily necessities and export-oriented goods.

The output of popular goods and farm products has increased significantly. Wristwatches are up 15.8 percent on the figure for the same period last year, color television sets 60.4 percent, refrigerators 14.2 percent, compound animal feed 24.4 percent, chemical fertilizer 39.8 percent and farm chemicals 14.3 percent.

The city turned out 2.76 billion yuan (740 million U.S. dollars) worth of export goods in the first three months.

The official said the production of industrial goods from farm products and byproducts dropped slightly over the past three months.

**Zhejiang NPC Deputies on Family Planning**  
*OW3103225389 Hangzhou ZHEJIANG RIBAO  
in Chinese 24 Mar 89 p 1*

[Dispatch by ZHEJIANG RIBAO reporter Qian Liming]

[Text] Exclusive news from Beijing: Yesterday morning, at a plenary meeting of the Zhejiang NPC [National People's Congress] delegation, deputies from our province pointed out the present problems concerning family planning to Cao Zeyi, vice minister of public health, and other officials concerned. They made pertinent comments and constructive suggestions.

The deputies' remarks centered around the principle for family planning stated in the government work report.

The first speaker was Prof Qian Li of Zhejiang Medical University, who, as "a veteran soldier on the medical front," made the following appeal: "In dealing with the question of family planning, we should never feel relieved when seeing some achievements, as we did in grasping grain production a few years ago. In no way should we relax in demanding that a couple can only have one child. Meanwhile, we should stress the need for attention to eugenics and sound child-rearing. Now, mentally retarded children account for a high proportion of newborn babies. Hospitals should give mothers-to-be proper prenatal examinations to ensure that no deformed babies will be born. In addition, there should be measures to forbid such problems as paying under-the-table money to bear children without being caught, buying children, and going to other places to give birth to babies."

No sooner had Qian Li finished his remark than Gu Gongxu, a deputy of our province in Beijing, who is honorary director of the Geophysics Research Institute of the State Seismological Bureau, began to speak. He said: "Many difficulties and problems presently encountered by our country are related to our excessively large population. There should be a clear understanding of this problem." With deep emotion, he continued:

"When the First NPC was held in the 1950's, I was a Zhejiang deputy. At that time, Ma Yinchu and Shao Lizi were also deputies from Zhejiang Province. They both proposed that family planning be put into practice, but their correct opinion was denied, causing a difficult-to-remedy loss to our country. Though 30 years have elapsed, this bitter lesson should not be forgotten. During the last few years, our population has shown a tendency to be out of control because we have not given sufficient attention to this issue. The population of 1 billion has increased by 100 million in just a few years. Firm and effective measures must be taken in this regard. We cannot let our population continue to be uncontrollable."

Du Huiping, director of Panan County's Family Planning Office, had some thoughts and feelings about promoting family planning at the grass-roots level. Touching on the problem of "the second birth," she said: "In some rural areas and mountain regions, special permission for a second birth may be granted to those families who have real difficulty in adhering to the one-child requirement. But this must be done under the precondition that such additional births will not exceed the local population growth target and will conform with the local laws and regulations on family planning. I suggest that this point be stressed in the revision of the government work report."

Governor Shen Zulun, who had listened attentively to others' remarks, now expressed his opinion: "The key to successful family planning work is to step up the legal work in this regard. It is necessary to sum up the experience we have gained during the past years in grasping family planning work and write them into the law so that no one can act at his own will."

Cao Zeyi, vice minister of public health, who was attending the meeting, spoke in the intervals between the deputies' remarks. He answered questions posed by the deputies. He said: With regard to population control, the Ministry of Public Health and the State Family Planning Commission will study the formulation of necessary laws and regulations. The legislative work on family planning is of great importance. Certainly, rural family planning cannot be put into practice if there is no restrictive measure.

At the meeting, deputies Zheng Shu, Li Debao, and Que Duanlin expressed their opinions about training medical personnel, introducing a contract system for hospital management, the question of free medical care, and the establishment of public health units.

### Central-South Region

**Guangdong Province Residents Find Own Jobs**  
*OW0604082689 Beijing XINHUA in English  
0713 GMT 6 Apr 89*

[Text] Beijing, April 6 (XINHUA)—Nearly two million people in south China's Guangdong Province have found their own jobs in the last decade, according to the "LEGAL NEWS DAILY".

As part of the economic reform, Guangdong has restructured its employment system and provided jobs for 3.9 million people in the last 10 years.

Nearly half of the new labor force consists of employees of partnership enterprises and self-employed people, the paper said.

In the last decade the province has given job training to 1.36 million people.

With the development of labor markets in the province, each year 100,000 workers change their jobs, the paper said.

Meanwhile, 2.7 million workers in state-run enterprises have taken out unemployment insurance in Guangdong.

Last year 8,900 workers in these enterprises lost their jobs and 6,000 of them found new jobs through the labor markets.

**Guangdong SEZ's Experience Growth, Problems**  
HK0604065089 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0912 GMT 2 Apr 89

[Report by Chen Yaogui (7115 5069 2710): "Special Economic Zones in Guangdong Experienced Many Difficulties in Spite of Sustained Economic Growth"—ZHONGGUO XINWEN SHE headline]

[Text] Guangzhou, 2 Apr (ZHONGGUO XINWEN SHE)—Last year, Guangdong's Special Economic Zones [SEZ's] experienced sustained economic growth, and it was the best economic year since the implementation of special zones; however, at the same time, the three special zones also faced difficulties like inflation, excessive population increase, lack of capital, and a policy adjustment in foreign exchange.

According to the statistics, last year the gross value of industrial output in Shenzhen was 8.88 billion yuan, an increase of 54 percent over the previous year; in Zhuhai, 2.04 billion yuan, an increase of 93 percent; and in Shantou, 0.55 billion yuan, an increase of 76 percent, which was equal to the total of the past 6 years. Last year, in the three special zones, there were also great increases in exports and foreign trade, utilization of foreign capital, and financial income.

According to the officials in the general office of Guangdong's SEZ's, at present the special zones in Guangdong can secure steady economic growth in the process of improvement and rectification, but they also face great difficulties. On the one hand, the consumption funds in the special zones have increased too rapidly, and inflation is serious too. Last year in Shenzhen the total amounts of wage and bonuses increased 60 percent over the previous year, and the purchasing power of social groups increased 141 percent, much higher than the rate of industrial growth. Meanwhile, immigration increased

too rapidly; in Shenzhen last year, there was an influx of 280,000 people, and the huge numbers of people pouring into the special zones have put pressures on the food supply and undermined efforts in price leveling.

On the other hand, the economic cuts have caused a shortage of loan capital in the special zones, and hence limited production. According to a preliminary study, this year Zhuhai is 0.6 billion yuan short in capital, and \$0.18 billion short in foreign exchange. Since last October, Shenzhen has experienced a loan deficit, and a big drop in savings. Since the state has adjusted its policy concerning foreign exchange and adopted the measure of taking 80 percent of the foreign exchange generated by the trade and economic enterprises in the special zones and leaving them the remaining 20 percent, the enterprises have been under extra pressures. At present Zhuhai is in a peak period of repaying foreign debts, and its ability to do so has been adversely affected.

**Shantou Introduces New Pattern of Joint Venture**  
HK0504113989 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0532 GMT 1 Apr 89

[Text] "Shantou Introduces a New Pattern of Joint Venture Investments by Foreign Businessmen, Special Economic Zones and Other Provinces or Cities of the Country"—ZHONGGUO XINWEN SHE headline]

[Text] Shantou, 1 Apr (ZHONGGUO XINWEN SHE)—A pattern of cooperative management with the participation of the special economic zone, foreign businessmen, and the hinterland is being gradually spread in the Shantou Special Economic Zone [SEZ] and this pattern has indicated good prospects.

The "China, China, Foreign" pattern of cooperative management that is being spread in the Shantou SEZ consists of two parties. One party is the foreign businessman, and the other party is composed of a unit of the special zone and a unit of the hinterland that possesses raw materials and technology. Each party or unit gives play to its strong points in jointly running an enterprise and yielding economic benefits.

As the national economy was being ~~reorganized~~ last year, the Shantou SEZ was short of construction funds. Since the second half of last year, the special zone has formulated various preferential measures to accelerate the development of its economic ties with the interior provinces and has integrated the strong points of the central authorities, companies under various ministries, various interior provinces, and coastal open cities in terms of funds, technology, raw materials, and famous brand products, with its preferential policies. On this basis, the special zone has absorbed foreign funds and imported advanced technology to form a new pattern of investment for Sino-foreign joint ventures.

According to reports, to date, six enterprises of Inner Mongolia, Hebei Province, Shanghai Municipality, and other provinces, municipalities, or regions have already established cooperative relations with foreign businessmen through the Shantou SEZ.

The establishment of economic ties between sole proprietorship enterprises run by foreign businessmen in Shantou and units in other provinces has also promoted the export of products from the hinterland to earn foreign exchange. Of the 47 sole proprietorship enterprises already in operation in the Shantou SEZ, 10 have established economic ties with units of other provinces. They process, according to requirements of international markets, primary products such as printed calico, silk, wool, feathers, food, and so on, from Jiangxi, Inner Mongolia, Hubei, and other places, to produce export products. In this way, it is possible for foreign businessmen to earn money and for the hinterland to export its products for foreign exchange.

**Guangxi Measures Mitigate Spring Food Shortage**  
HK0504094989 Beijing ZHONGGUO XINWEN SHE  
in Chinese 0532 GMT 1 Apr 89

[“Guangxi Is Expected To Harvest 90,000 Tons of Spring Grain Crops To Mitigate a Food Shortage”—ZHONGGUO XINWEN SHE headline]

[Text] Nanning, 1 Apr (ZHONGGUO XINWEN SHE)—Guangxi has begun to harvest spring grain crops, and it is expected that the output will reach 90,000 tons or twice as much as last year's output.

In April, Guangxi will face the most serious condition of a food grain shortage. The harvest of spring grain crops will mitigate the food shortages in some areas. If each person consumes 20 kg of food grain a month, then the harvest will satisfy the needs of 4 million peasants in 1 month.

However, as Guangxi encountered a serious decrease in grain output last year, the harvest of the spring grain crops still cannot completely satisfy the demand of more than 10 million people in this autonomous region. Since the second half of last year, nearly 2 billion jin of food grain has been transferred from other provinces to Guangxi to meet the demands on urban and rural markets and to help more than 10 million peasants stricken by natural disasters last year tide over the spring famine. Because food grain was transferred to Guangxi in good time, the grain price on the markets was kept basically stable, and grain was not out of stock in the shops. At present, proper arrangements have been made to ensure the grain supply for the rural population stricken by natural disasters. Peasants who are in need of food grain have ration certificates, and those who lack money to buy food can also get financial assistance from the state. Beginning this January, urban workers were required to save 1 kg of food from their monthly food ration quota so as to assist peasants in disaster-stricken areas.

The food shortage has prompted the party and government leaders in Guangxi to make a profound self-examination of their guidance to agricultural production in the past years. This year, governments at all levels in Guangxi have decided to place agricultural work, especially grain production, in the primary position. Spring sowing is going on smoothly. So far, more than 400,000 tons of corn seeds have been sown, marking an increase of 20,000 tons over last year, and more than 100,000 tons of rice seedlings have been transplanted. The work of spring sowing began 2 weeks earlier than last year.

**Hainan Township Enterprises Increase Revenue**  
HK0404104589 Beijing CEI Database in English  
4 Apr 89

[Text] Beijing (CEI)—Township enterprises in Hainan Province earned some 1.45 billion yuan of revenue last year, increasing 38 percent over 1987 and accounting for 53 percent of the total agricultural output value of the province, amounting to 2.72 billion yuan.

Enterprises that have shown more conspicuous growth are in building material, communications, food processing, mining and processing industries.

The total employees of township enterprises this year will reach 320,000 who are expected to bring in 1.3 billion yuan of gross output value. Their total revenue is expected to reach 1.8 or 2 billion yuan, with 185 million yuan in profits and 55 million yuan in taxes.

Efforts will be concentrated on the development of building material, salt, and mining industries, and the processing of agricultural, aquatic, and side-line products, as well as communications. Taking advantage of the preferential policies granted by the state, rich natural resources and foreign investments and advanced technology, the province is going to build more export production bases.

**Henan Secretary Urges Expansion of Education**  
HK0604041489 Zhengzhou Henan Provincial Service  
in Mandarin 1030 GMT 4 Apr 89

[Excerpts] When inspecting educational work in the mountain areas of Luanchuan County on 1 April, provincial party committee Secretary Yang Xizong pointed out: The whole society must pay attention to and support the development of education and it is necessary to readjust the structure of education; to expand secondary vocational and technical education to serve local economic reinvigoration better. [passage omitted]

In Luanchuan County, Comrade Yang Xizong, Vice Governor Yu Youxian and other leading comrades visited a school for adults at (Chaoguan) township and a primary school at (Chimiao) township. They met with the leaders and teachers of the two schools. They also invited some leaders, teachers, and personages who are

enthusiastic about promoting education to a forum, and listened attentively to a description of the progress of educational reform in Luanchuan County. [passage omitted]

Comrade Yang Xizong paid tribute to Luanchuan County for its successful experience in expanding education in the mountain areas and for its far-sighted effort to take education seriously in straitened circumstances. When calling for the spreading of Luanchuan County's experience, Yang Xizong pointed out that the problem of making elementary education universal claims our immediate attention and this is also an important task that all localities must persevere in over a long period of time. Education and science and technology should be geared to local economic reinvigoration. Authorities at the provincial, city and county levels should work out their plans to intensify vocational and technical education and adult education step by step and in line with actual conditions. Secondary vocational and technical education must be based on practice. Rural areas should follow the road of combining science and education with agricultural production. The part-work and part-study system should be introduced as a major aspect of education reforms. [passage omitted] Meanwhile, cities, prefectures and counties of the province must do their best to mobilize all social forces to collect more funds for education.

#### Hubei Forum Discusses Party-Building, Education

**Secretary Addresses Participants**  
HK0504044989 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 4 Apr 89

[Excerpts] On the morning of 2 April, provincial party committee Secretary Guan Guangfu and Deputy Secretary Zhao Fulin held a forum with comrades who attended the provincial conference on education for party members. Freely airing their views, the participants held that the climate for grasping party-building has now formed in the province. [passage omitted]

Comrade Guan Guangfu spoke on five important points in tackling party-building:

1. Understand, study, and carry out education for party members as an important aspect of stepping up party-building. In education for party members, it is necessary to solve the cell problem of the party organizations. Human life depends on the renewal of cells; only thus can vigor and vitality be maintained. Similarly, to ensure health and vitality in the body of the party, the party organizations' cells must be overflowing with soaring vigor. Stepping up education for party members is aimed at strengthening the functions of the party's cells. This is a most fundamental task and is also most basic and most important. We must all work at this task. [passage omitted]

What is the current quality of the party members? Some party members are capable of fully playing their vanguard and model role. They are the party's backbone force. A very small number of members are unable to withstand the two tests in conditions of reform and opening up and have become stragglers. Some others just aim at being passable without making great efforts.

We must consolidate and raise the standards of those members who can fully play their vanguard and model role. [passage omitted] With regard to those very few corrupt elements who cannot withstand the tests, we must insist on the principle of governing the party with strictness and seriously investigate and deal with them. Certain party members who are not up to standard should be dismissed or advised to quit the party. With regard to those party members who just aim at being passable without making great efforts and do not play their vanguard and model role sufficiently, the question of how to improve their quality and ensure that they reach the standard of a genuine party member is a new topic in education for party members. The general demand should be, as Comrade Chen Yun has said: We must ensure that the party members never forget that they are party members.

2. On the question of confidence in stepping up party-building, certain people in society seem to have lost confidence in our party. There are also some people in the party who are unable to firm up their beliefs, and cannot believe that in the new historical conditions we will be able to fight a victorious battle as in the years of war. To enhance confidence, we must make a scientific and truth-seeking analysis of the current state of the party.

First, we must take an all-around view of the party. It is a fact that certain corrupt phenomena have appeared in the party. There is some laxity in ideology and organization and some slackening in discipline. However, it is necessary to draw a number of distinctions on this issue. We should distinguish between the actions of a few party members and the actions of the party organizations, between a few party members and the whole body of party members, and between a few individual party organizations and the party organization as a whole. There is also the relationship between problems within the party and the social mood. The two are different but are also linked in certain respects; however, they cannot be equated. It is not scientific to take an overall view of problems without analyzing them. [passage omitted]

Second, we must take an historical view of the party. Third, we must take a developmental view of the party.

3. Education for party members must be closely centered on implementing the party's basic line. There is no doubt that in carrying out education for party members, we must get a good grasp of education in ideals, party spirit, discipline, and style; in the party's program; in clean government; and so on. In the course of carrying out this

education, we must tightly hold a red thread and a key link, that is, the education must be centered on implementing the basic line of one core and two basic points.

Upholding one core means persevering in regarding economic construction as the core, that is, working to develop the social productive forces. This is the basic viewpoint of historical materialism. We must still persevere in this basic viewpoint today and firmly embrace the productive forces criterion.

Upholding the two basic points means upholding the four cardinal principles and also inserting new contents of the era into them. We must uphold party leadership and also improve it and carry out reforms in the party's leadership system and setup. We must uphold the socialist system, but this also needs self-perfecting. We must uphold the people's democratic dictatorship, but its targets vary at different periods. We must uphold Marxism-Leninism-Mao Zedong thought, but we must also develop it. [passage omitted]

At present we must get a particularly good grasp of education in the situation and in clean government. We must teach the party members to carry forward the fine tradition of arduous struggle and to remain clean and honest. They must oppose the practice of bartering power for cash and wage struggle against abuse of power, graft, extravagance, waste, and other corrupt phenomena.

4. Explore ways and methods of conducting education for party members in the new period. [passage omitted]

5. The question of how to solve the problem of making a fine start in party-building but finishing poorly must be properly handled. Otherwise, the best plans will come to nothing. The party committees at all levels must implement the principle of grasping things with two hands. In party-building, including education for party members, they must make concentrated efforts for a period of time, summon up great resolve, and set high demands. Otherwise, we can hardly mobilize a vast force to step up party-building. After making concentrated efforts for a period, the question of grasping the work regularly still remains. We must keep the water flowing without a break. [passage omitted]

#### Conference Ends 3 Mar

HK0404065989 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 3 Mar 89

[Excerpts] A provincial conference on educating party members held by the provincial party committee concluded in Wuchang today.

At the closing session this afternoon, provincial party committee Propaganda Department head Wang Zhongnong and provincial party committee Discipline Inspection Commission Deputy Secretary (Wang Chongwen) took the floor. Zhong Shuqiao, a member of the provincial party committee Standing Committee and

head of the provincial party committee Organization Department, delivered a closing speech. In his speech, Zhong Shuqiao expressed the hope that all localities would map out short-term and long-term plans for educating party members and take effective measures to implement the plans at each level, and would pay adequate attention to the work of appraising party members through democratic discussion and disposing of unqualified party members by holding to the principle of building the party with strictness. Furthermore, the work should not be superficial or perfunctory. Meanwhile, it is necessary to extensively commend outstanding party members and advanced party organizations to add to the glory of the party and to justly and forcefully resist and criticize things which discredit our party. It is necessary to strengthen party organizations in enterprises. [passage omitted]

Attending the meeting were responsible comrades from party committees of all prefectures, cities, autonomous prefectures and counties, large enterprises and institutions, and universities and colleges, as well as comrades in charge of departments, commissions and offices directly under the provincial authorities, the Hubei Provincial Military District Political Department, and organization and propaganda departments of all prefectures, cities, autonomous prefectures and counties.

#### Commentary Discusses Education

HK0404145789 Wuhan Hubei Provincial Service  
in Mandarin 1000 GMT 03 Mar 89

[Station commentary: "Deepen the Sense of Urgency To Strengthen Educating Party Members"]

[Excerpts] Educating party members is a long-term and important endeavor in party-building. It has become more important at the present time of improving the economic environment, rectifying the economic order, and deepening the reform in an all-around way.

During the past few years all local authorities in our province have gained some experiences and made some achievements in educating party members as our country replaces an outmoded system with a new one. However, educating party members remains a weak point in our party-building. Party organizations in some areas do not run party affairs and separate party-building from economic construction. The tendency to ignore education and management among party members is very serious. Some party members are satisfied with just doing a passable job and muddle along with no thought of tomorrow. Others have shaken their belief in communism, their sense of serving the people has become weak, and they flout the law and discipline. Some party members do not understand, and even bear resentment against the reform and opening up policy. Meanwhile, a few party members have become corrupt and degenerate in the face of money and lust for power and the attack from the erroneous ideological trend. All this tells us that

to strengthen educating party members demands immediate attention and party committees at various levels must have a clear-headed understanding of the issue, enhance their sense of urgency and responsibility, and truly strengthen education among party members. [passage omitted]

Comrade Chen Yun has said: Party members must be taught that they should always keep in mind that they are Communist Party members. As long as the large majority of party members set demands on themselves and restrain themselves within the standards of a party member, the quality of our party members will be continuously enhanced; the fighting capacity of our party will be increased; and our cause of reform, opening up, and socialist modernization will definitely flourish.

**Hunan Secretary on Grain Production Problems**  
HK0604012589 *Changsha Hunan Provincial Service*  
in Mandarin 2300 GMT 5 Apr 89

[Excerpts] While attending a Dongting Lake region anti-flood work conference at Changde City, provincial party committee Secretary Xiong Qingquan and Vice Governor Zhuo Kangning paid a special visit to (Chongqianhu) township in the (Dingcheng) district of the city on 5 April to see the major grain-producing households of (Lu Youhai), (Zhong Ruhua), and (Wu Yongan) and chat with them. Comrade Xiong Qingquan asked about the domestic, production, and livelihood conditions of these three comrades. [passage omitted]

Comrade Xiong Qingquan asked (Zhong Ruhua): What is your greatest difficulty at present? (Zhong Ruhua) replied: The greatest difficulty is that there is no electricity. We have machines, but cannot use them. Another difficulty is that the prices of chemical fertilizer and pesticide are too high.

(Wu Yongan) said: Another difficulty is the grain procurement problem. The grain departments have no money for grain procurement.

Comrade Xiong Qingquan said: We will certainly devise ways of considering and resolving your views and demands. He said in conclusion: It is impossible to improve the grain commodity rate without developing major grain-producing households. I hope the party committees and governments at all levels will help such households to resolve practical difficulties in production. At the same time, these households should become major households in staging science and technology demonstrations, and play their part in popularizing advanced technology. They should also improve their own economic returns by comprehensively developing cultivation, animal husbandry, and so on. [passage omitted]

**Northeast Region**

**Heilongjiang Official Dies of Illness 28 March**  
SK0604063389 *Harbin Heilongjiang Provincial Service*  
in Mandarin 1000 GMT 5 Apr 89

[Text] Comrade Wang Zhaozhi, vice chairman of the Heilongjiang Provincial People's Congress Standing Committee, member of the Standing Committee of the Central Supervision Commission of the Revolutionary Committee of the Chinese Kuomintang, honorary chairman of the Heilongjiang provincial committee of the Kuomintang Revolutionary Committee, and a noted patriotic democratic personage, showed no response to medical treatment and died of illness in Harbin at 0613 on 28 March 1989, at the age of 90.

The funeral committee of Comrade Wang Zhaozhi issued an obituary and decided that the ceremony to pay last respects to the remains of Comrade Wang Zhaozhi would be held at the (Tianlong) auditorium in Harbin City at 0830 on 8 April 1989.

**Liaoning's Quan Shuren Attends Legal Work Forum**  
SK0504090989 *Shenyang LIAONING RIBAO*  
in Chinese 19 Mar 89 p 1

[Excerpts] The provincial party committee held a political and legal work forum from 15 to 17 March to discuss the issues of unifying the understanding on the current situation of social peace, stressing that a good job should be continued in consolidating public security in comprehensive way, and enhancing the party's leadership over the political and legal work. Thus, we can enable the work to provide better legal protection and service for the programs of improving the economic environment, rectifying economic order, and conducting reform and construction and to create peaceful political environment and stable social order for the programs.

Attending the forum and speaking there were Quan Shuren, secretary of the provincial party committee; Wang Julu, deputy secretary of the provincial party committee; Chen Suzhi, member of the provincial party Standing Committee and provincial vice governor; and Zuo Kun, vice chairman of the provincial People's Congress Standing Committee.

It was held at the forum that, generally speaking, the province's current situation in public security is basically stable. However, there are many problems, including some local problems which are quite serious. Therefore, we should harbor sober understanding on the difficulty and complexity of consolidating public security, foster the concept of long-term struggle against these problems, and enhance our sense of urgency. [passage omitted]

It was pointed out that problems concerning public security are the comprehensive reflection of various contradictions. Under the leadership of the provincial party committee, we must mobilize all social forces to

reduce or eliminate the factors which can harm public security through education, management, and legal methods; and to consolidate the public security in a comprehensive way to maintain social peace. [passage omitted]

It was stressed at the forum that efforts should be made to enhance or improve the party's leadership over the political and legal work, to attach greater importance to the work, and to understand or support the work as much as possible. [passage omitted]

**Liaoning's Quan Shuren Marks Tree-Planting Day**  
SK0604050589 *Shenyang Liaoning Provincial Service*  
in Mandarin 1030 GMT 5 Apr 89

[Excerpts] Today marked Shenyang's All-People Voluntary Tree-Planting Day. [passage omitted]

This station reporter met with Quan Shuren, secretary of the provincial party committee, at the exit of the Shenyang main street near the northern section of Huanghe Street. The reporter approached Quan Shuren at the place where trees were being planted as he was throwing shovels of dirt for a newly planted sapling.

Quan Shuren said: [begin recording] Planting trees to make the motherland green is the obligation of the people throughout the country. I think the land of Liaoning needs afforestation. Our proposal of basically making all barren hills in Liaoning green by the end of this century is of profound and far-reaching significance in improving our Liaoning's ecological environment. Tree planting currently is a major event in improving our current ecological environment and benefiting future generations. We hope that people throughout the province will actively participate in this tree-planting activity. If health permits, all citizens of the age of 18 should persist in participating in tree-planting activities every year. [end recording]

Also participating in today's tree-planting activity were Dai Suli, chairman of the provincial Advisory Commission; Gao Zi, chairman of the provincial Discipline Inspection Commission; Feng Yousong, vice chairman of the provincial People's Congress; Xu Shaofu, chairman of the provincial Chinese People's Political Consultative Conference Committee; and leading comrades of the provincial party, government, and Army organs.

**Liaoning Literary, Art Circles' Congress Opens**  
SK0504082389 *Shenyang Liaoning Provincial Service*  
in Mandarin 1030 GMT 4 Apr 89

[Excerpts] Delegates from provincial literary and art circles met this morning at the Liaoning People's Theater in Shenyang after 9 years of separation to ceremoniously hold the third congress of the Liaoning Provincial Federation of Literary and Art Circles to summarize our province's experience in carrying out literary and art

work during the new period and to jointly discuss the principles and major plans for invigorating and developing our province's literary and art undertakings.

Provincial leaders, including Quan Shuren, Dai Suli, Wang Julu, Shang Wen, Gao Zi, Yu Xiling, Wang Chonglu, Wang Wenyuan, and Shen Xianhui, attended the congress. Li Huang and other comrades also attended the congress to extend congratulations.

The congress was presided over by (Ding Ming), vice chairman of the provincial Federation of Literary and Art Circles. Ma Jia, chairman of the provincial Federation of Literary and Art Circles, gave an opening address. In the capacity of veteran soldier on the literary and art front, he extended congratulations to the congress on its ceremonious convocation.

On behalf of the provincial party committee and the provincial government, Wang Julu, deputy secretary of the provincial party committee, extended congratulations to the congress, expressed satisfaction with the achievements of the literary and art workers of the entire province during the past 9 years, and extended sincere respect and heartfelt thanks to the delegates and the broad masses of literary and art workers throughout the province. [passage omitted]

Delegates from the provincial Trade Union Council, the Communist Youth League Committee, and the provincial Women's Federation, as well as delegates from the Political and Cultural Departments of the Shenyang Military Region, and the provincial Cultural Department and the provincial Radio and Television Broadcasting Department, delivered warmhearted congratulatory speeches.

On behalf of the second committee of the provincial Federation of Literary and Art Circles, (Li Suxian), vice chairman of the provincial Federation of Literary and Art Circles, delivered a work report. [passage omitted]

Vice Governor Wang Wenyuan read the decision of the Liaoning Provincial CPC Committee on issuing certificates of honor to outstanding workers and those who have engaged in literary and art work for 40 years. [passage omitted]

**Energy Source Base Planned for Northern Liaoning**  
HK0504080789 *Beijing ZHONGGUO XINWEN*  
SHE in Chinese 0400 GMT 1 Apr 89

[*"Large Energy Source Base To Be Built in Northern Liaoning"—ZHONGGUO XINWEN SHE headline*]

[Text] Shenyang, 1 Apr (ZHONGGUO XINWEN SHE)—China is investing several hundred million yuan in building a large energy source base in the Tieling area in northern Liaoning Province. Such a large energy source base is rarely seen in the northeast region and it

will comprehensively produce coal and electricity. In 12 years, the scale of coal mining there will reach nearly 20 million tons and the electricity generating capacity will reach nearly 5 million kw.

According to concerned sources, Tieling Prefecture is in the center of China's important industrial base—the northeast economic zone. A rapid development of the energy industry there will have a decisive strategic bearing on the economic development of the entire northeast region of China.

Tieling area is rich in resources for producing energy and has coal reserves amounting to over 2 billion tons. With the current designed mining capacity, such reserves will last more than 100 years. At present, six modern coal mines there have been put into operation, mining over 6 million tons of coal. This year, the state has again spent over 200 million yuan on expanding these mines and is building two additional large mines. By the year 2000, the coal output of Tieling Prefecture will have doubled.

In the meantime, Tieling is stepping up the conversion of coal into electricity. At present, the construction of the Qinghe Power Plant, which has an installed capacity of 1.3 million kw, has been completed and the plant provides the northeast economic zone with nearly 10 billion kw hours of electricity. The construction of the Tieling Thermal Power Plant, which has an installed capacity of 2.4 million kw, has also started. It is expected that the 600,000-kw generator group of the first phase of the project will be put into production and join the transmission network in 5 years. The construction of the entire power plant will be completed by the end of this century.

By that time, Tieling Prefecture, an agricultural prefecture which has been well-known as the "granary of northern Liaoning," will take on a new look as a "city of energy sources."

**Private Businesses Flourish in Shenyang**  
OW0504211189 Beijing XINHUA in English  
1239 GMT 4 Apr 89

[Text] Shenyang, April 4 (XINHUA)—Private businesses are now flourishing in Shenyang, capital of northeast China's Liaoning Province.

According a local official in charge of the city's private businesses there are now 2,842 privately-owned firms employing a total of 46,300 with each hiring at least eight.

Seventy percent of the privately-owned companies are industrial firms and the rest are engaged in commerce, catering and transport, he said. Last year, the output value created by privately-owned enterprises totalled 194 million yuan.

An overwhelming majority of the employees now working in these enterprises come from the countryside, the official said, adding that individual households taking part in industrial and commercial businesses now number 8,585 and involve 134,700 people.

To support the development of private enterprise, the city government also plans to sponsor training classes to help employees learn scientific management, he said.

There are now 1.8 million people working for 22 million private businesses in China—of which 115,000 employ eight or more workers, the official said.

### Northwest Region

**Gansu Meeting Notes Price Work Anomalies**  
HK0204023389 Lanzhou Gansu Provincial Service  
in Mandarin 0000 GMT 2 Apr 89

[Text] A provincial price work conference, which concluded on 1 April, reiterated that price increases this year must be markedly lower than last year. The meeting noted that, to ensure that this is the case, the provincial government recently adopted a decision on strictly controlling prices and stabilizing the markets. This demanded that all districts and departments unswervingly understand and fulfill the targets for price increase control this year. It is essential to embrace the concept of taking account of the overall situation and resolutely implement the price control measures formulated by the upper levels.

Vice Governor Zhang Wule severely criticized certain departments, bureaus, and districts for refusing to carry out the provincial government's decision. He said: Implementation of the provincial government's 10-point decision is far from ideal. Certain districts, departments, and bureaus have failed to study or implement it. Some have even violated the provincial government's decision on no increase in prices for 19 daily necessities and have arbitrarily exceeded their powers by raising these prices. Some have also failed to deal with serious violations of price policy.

He demanded that the provincial planning commission step up controls over these 19 commodities, as is done with production materials. All districts and departments must report to the provincial government on their implementation of the 10-point decision.

**Lanzhou Under Pressure From Labor Influx**  
HK0504010989 Lanzhou Gansu Provincial Service  
in Mandarin 0000 GMT 5 Apr 89

[Text] Large numbers of laborers from Sichuan, Henan, Jiangsu, and Zhejiang have poured into Lanzhou, putting tremendous pressure on railroad transport and social order. Since the Spring Festival, some 200,000 people have departed from Lanzhou railroad station for the west, including 150,000 laborers on their way to

Xinjiang. However, the flow of laborers from east China pouring into Lanzhou at present is rising sharply each day. Even though the railroad station has run an extra train—No 153—westward in addition to the two scheduled trains, Nos 23 and 501, this still cannot meet passenger transport requirements.

The influx into Lanzhou of large numbers of laborers has caused serious problems in social order and security. According to our information, certain criminal elements have seized the chance offered by large numbers of people and a scene of confusion to engage in criminal activities. There has been a marked increase in cases of pickpocketing and robbery in the vicinity of the railroad station since the beginning of March.

The large numbers of travelers have also caused serious difficulties in board and lodging, and so on. Data provided by the railroad and public security departments shows that 12 traveling laborers recently developed sudden schizophrenia, one of whom, from Suining in Sichuan, killed or injured 22 people by attacking them with wine bottles or screwdrivers after falling ill at the railroad station.

The railroad and public security departments are now taking steps to step up the work of sending travelers on their way and preserve social order.

Yesterday afternoon the Lanzhou city party committee and government summoned responsible persons of the railroad, public security, and other departments concerned for an urgent meeting to study methods of resolving these problems.

According to another report, over 150,000 laborers have now poured into Xinjiang from other provinces, and the local authorities have absolutely no way of taking in or employing them.

**Ningxia Grain Meeting Urges Cutting Expenditures**  
HK0404032789 Yinchuan NINGXIA RIBAO  
in Chinese 19 Mar 89 p 1

[Report: "Cut Capital Demand, Readjust Expenditure Structure, and Strive for a Balanced Budget"]

[Text] "Uphold the principle of ensuring reform and key projects and feeding the people, resolutely cut capital demand, readjust the expenditure structure, maintain a balance of revenue and expenditure, and create a favorable financial environment for rectification and improvement." These are the measures adopted by the regional grain work conference in view of this year's grim situation.

Ningxia achieved relatively good financial results, although the budget was tight at the beginning of 1988 and in some localities revenue decreased and expenditure increased in the course of implementation. The annual financial revenue is estimated to exceed 10.9

percent of the budget, industrial and commercial tax income has increased steadily, and the expenditure structure has tended toward rationalization, thus ensuring the funds required for the price and wage reform measures introduced by the state. While summing up the work of last year, the region seriously discussed this year's revenue and expenditure and laid down relevant policies concerning subsidies for grain prices and operation allocation charges. Although this year's revenue is estimated to increase by 11 percent over the previous year, expenditure will also increase by a big margin and deficits will total 46.03 million yuan. Hence, the situation is more grim than the previous year.

To this end, the region has demanded that:

First, all localities and departments should fulfil the targets of increasing revenue and retrenching expenditure to every grass-roots organization, adopt specific measures, and ensure that the raw materials for industry and energy consumption will be reduced by 1 percent. The competent and financial departments at all levels should regard this work as the criterion for assessing the achievements of enterprises.

Second, while paying close attention to financial and taxation inspection and to perfection of the enterprise contract responsibility system, the financial and taxation departments at all levels should consolidate the order of tax revenue and financial and budget management, strengthen the management powers of the taxation departments, prohibit exemption of taxation by exceeding one's powers, and reexamine the items that have been exempted from taxation. Taxes should be levied on the items that have been improperly exempted. Measures should be adopted to check and attack tax evasion. It is necessary to examine and screen the indiscriminate exaction of charges, the raising of the proportion of the special funds drawn without authorization, reckless issuing of bonuses and subsidies, the change from extra-budgeted funds to budgeted funds, and establishment of private money lockers and off-the-book property. Based on last year's figure, resolute measures should be adopted to curtail group purchases by 20 percent. According to the decision of the central authorities, piece goods and products, knitwear, and paper should be brought under control. According to the stipulations of the regional people's government, extra charges should be levied on the purchase of commodities under control.

Third, the increase in this year's revenue will be used mainly in the expenses for wage and price reforms, key projects, agriculture, education, and science. Other items should be maintained at last year's level. Self-raised capital construction funds and urban maintenance funds

should be curtailed. It is necessary to strengthen the financial system of setting up separate budgetary plans for the central and local authorities. While working out this year's budget, the counties which suffered from deficits last year should first make up their deficits. If revenue has decreased in some localities, they should relatively reduce their expenditure and try to maintain a balance rather than shift their deficits to the regional authorities. The financial and taxation cadres at all levels should earnestly abide by discipline and laws. They should not abuse their financial and taxation powers to seek personal gain, levy blackmail, and offer or accept bribes. Once these practices are discovered, the offenders shall be sternly punished.

More than 300 delegates from various localities and departments attended the conference. During the conference, Cheng Faguang, vice chairman of the regional people's government delivered a speech.

**NINGXIA RIBAO on Surplus Labor Force**  
HK0604023789 Yinchuan NINGXIA RIBAO  
in Chinese 24 Mar 89 p 1

[Article by Wang Zhijie (3769 1807 2638): "Supposing 100,000 Laborers Poured Into Yinchuan"]

[Text] The incident of 1 million laborers pouring into Guangdong has been the focus of the country's attention; it has put pressure on railway transportation, made Guangzhou yell desperately for help, and shaken half of China. One billion people burst into an uproar. Although an urgent notice was issued by the State Council General Office on 5 March, and local governments tried hard to persuade and stop the crowd, the huge army nevertheless "cannot be blocked by the green mountains, and eventually forges to the east." They were divided into several branches. There were 200,000 people crossing the strait to land on Hainan Island, and several hundred thousand people returning northward to Shanghai to "attack the east gate." According to the State Council's General Office and various major newspapers, the third influx of people has been heading for the Northwest!

"Every man has a responsibility for the rise and decline of his country." I have thought deeply about this for a long time. Is it true that these 1 million peasants have no affection for their hometown? Are they willing to part with their native places? The incident can illustrate two problems: First, the 10 years' reform has broadened the peasants' perspective, and some of them are not willing to settle in a lone corner, and be content with poverty. They have moved bravely into the commodity economy current. It should be regarded as a good thing. Second, I am afraid to say that in recent years we have completely neglected the fundamental position of agriculture, and simply have not recognized its vital significance. Added to this is the extremely low purchasing prices for grain, and so who will prefer to live a miserable life of always losing out? Since ancient times we have seen "cheap

prices for grain causing harm to peasants." The guiding idea of "taking grain as the key link" deserves adequate attention from various sectors of the society. This year the State Council has decided to increase the needed fertilizers, raise purchasing prices for contract grain and oil, and spend 10 percent of the regulatory fund for agricultural input. The autonomous region has also formulated policies concerning the issue, and in Guyuan Prefecture the collective contracting system has also been implemented. But remote water cannot relieve a man's extreme thirst. The increase of surplus labor forces in the rural areas has become an inevitable trend which cannot be changed according to anyone's will, and added to this are the cuts in capital construction and the rectification in circulation; hence, especially after the spring sowing, the surplus labor forces from the rural areas will keep pouring into the cities!

The spring morning chill has persisted recently, but the labor market in Yinchuan's Nanmen Square was congested with a growing number of people, each of them inquiring, wishing, waiting, and expecting...

How can we properly settle these laborers? First, skillfully and patiently tackle ideological work: To guide them back to their fields. To persist in the production of grain and foodstuffs, and of fishery, forestry and various sideline occupations. This is a basic issue of national policy and of people's livelihood. Everyone knows the truth of "no grain, no stability"; we cannot get through by "attending to trifles to the neglect of essentials," and the worst is "attending to trifles to the loss of essentials," which will bring endless trouble. Therefore, to properly settle the laborers in the rural areas according to an appropriate ratio so as to avoid disturbance is the key task for every leader of a prefecture, county and city, and they must seriously think about the issue. If the flow of laborers toward the cities cannot be curbed, it will undermine urban construction, management, and public order. This has actually happened in some cities, causing bad consequences.

Second, in a tight financial situation, and when capital construction is being cut, we must explore every possibility to absorb surplus labor forces. Each year, the autonomous region has to spend a huge amount of money in preventing floods, and for this project we can organize some of the laborers. The renovation of some of the historic sites in Ningxia, like the imperial tomb of West Xia, the management of the mud deposit in Qingtong gorge, and Shabotou's sand management project also need workers. If the leaders can pay attention, and the departments concerned will study the potentials and think things over, it is possible to settle some of the laborers. To conclude, the leaders at different levels should have some consciousness of the future, and put the issue of surplus rural labor forces on the agenda, study early, and implement quickly, so as to avoid the "lively" atmosphere in Guangzhou. This way might be better than "putting up the wire after the sheep have escaped."

**Ningxia Develops Export-Oriented Economy**  
*OW0304193689 Beijing XINHUA in English*  
*1520 GMT 3 Apr 89*

[Text] Yinchuan, April 3 (XINHUA)—The total volume of foreign trade of the Ningxia Hui Autonomous Region reached 80 million U.S. dollars-worth last year, 78 million U.S. dollars-worth more than in 1978, according to a local official.

By the end of 1988 contracts involving foreign funds earned 61.03 million U.S. dollars for Ningxia, China's sole autonomous region for the Islamic Hui nationality, said Bai Licheng, chairman of the region.

Ningxia, in northwest China, is far from the coast and has poor transportation facilities and infrastructure. It covers 66,400 sq km and has a population of 42.43 million, one-third of whom are Muslims.

In order to develop its export-oriented economy, the local authorities are actively cooperating with China's coastal special economic zones, said Bai.

"We have set up enterprises and joint ventures in the zones, and sent technical personnel and skilled workers there," Bai said. "Products and raw materials from Ningxia are processed by cooperative enterprises there, then exported."

Ningxia has set up 11 joint-venture and cooperative enterprises in the Shenzhen Special Economic Zone, of which eight have gone to operation.

In 1988, the eight firms in Shenzhen scored 20 million yuan in industrial output value and earned 2.4 million U.S. dollars from exports for Ningxia, Bai revealed.

**Shaanxi Leader Orders Probe of Official's Conduct**  
*OW0604081789 Beijing XINHUA Domestic Service*  
*in Chinese 1502 GMT 27 Mar 89*

[From the "Local Broadcast News Service"; by reporter Wan Wuyi (8001 2976 5030)]

[Text] Xian, 27 Mar (XINHUA)—The 25 March XINHUA report revealing food, drink, and gifts wasted on Wei Mingsheng, former commissioner of the administrative office in Ankang, when he bade farewell to friends, associates, and colleagues upon his transfer, has aroused the attention of people in society. Recently, Zhang Boxing, secretary of the Shaanxi provincial party committee, met the press and spoke on the issue. He said: The provincial party committee and the provincial government have organized a work group which will be promptly sent to Ankang to conduct investigation. He expressed the opinion that the authorities are determined to get to the bottom of this matter and that there will be no tolerance for mistakes.

An investigation by the reporter has confirmed that Wei Mingsheng extravagantly and wastefully spent more than 6,000 yuan under various pretexts (including gifts) during his "bidding farewell" and "saying good-bye" activities, which lasted for as long as 100 days. Such wasteful extravagance has caused very bad and harmful influence on society. On receipt of the information given by the reporter, Zhang Boxing, secretary of the provincial party committee, gave his instructions in writing, requiring the provincial commission for discipline inspection and the provincial bureau of supervision to take the responsibility to organize an investigation contingent as quickly as possible and sternly deal with the matter after a thorough investigation has been concluded.

Zhang Boxing called on all Communist Party members in the province, leading cadres at all levels in particular, to take warning from this matter, set a good example in observing various disciplines, be clean and honest in performing official duties, and work selflessly for the public interest.

**No Agreement in Talks With U.S. on Copyrights**  
*OW0504230489 Taipei International Service  
in English 0200 GMT 30 Mar 89*

[Text] It was reported here on Tuesday that the Republic of China [ROC] has been included on a special 301 blacklist for trade retaliation by the U.S. because it has not done enough to protect American intellectual property rights.

Quoting Chinese trade offices abroad, the CENTRAL NEWS AGENCY said other Asian countries that are also named in the list are Japan, South Korea, Thailand, and Mainland China. According to local trade officials, Section 301 of the American Omnibus Trade Act authorizes the U.S. Trade Representative Office to retaliate against a trade partner over unfair trade practices if consultation fails to reach a solution. The trade representative is expected to formally present a list of foreign countries which conduct unfair trade against the U.S. to the government in April. Countries listed on the 301 list will be asked to stop the unfair trade acts or make compensation within 3 years. Those that are listed on the special 301 list will have only 6 months to make amends.

The ROC reportedly has been included on the list because of its failure to satisfy American trade officials over the video parlor [as heard] and public showings of videocassettes issue here. Chinese and U.S. trade officials held talks in Washington last week on the videotape copyright issue, but the consultation reached no agreement on the subject.

**Next Fishery Talks With U.S. To Begin 'Soon'**  
*OW0604033289 Taipei CNA in English 1608 GMT  
4 Apr 89*

[Text] Taipei, April 4 (CNA)—The Republic of China [ROC] and the United States will hold their second round of fishery consultations in the year soon, the Council of Agriculture said Tuesday.

The U.S. side has suggested that the meetings be held between April 17-22 in an undisclosed place in America, an official with the council's fisheries department said. The ROC Government is expected to respond to the suggestion soon.

The two countries failed to reach an agreement during their first round of talks in Washington early this year.

Representatives to the consultations said the talks had broken down because the two sides differed on the use of drift net fishing in the north Pacific and because Taipei refused to let American law enforcement personnel inspect its fishing boats operating on the high seas.

"This is a matter of sovereignty," ROC representatives said then as they insisted they would not give in on the issue.

The Council of Agriculture official said the ROC's position on the issue remains unchanged but that Taipei will seek to persuade the Americans that it is sincerely trying to improve the management of ROC fishing boats.

The official added that the government will also tighten its control over the nation's fishing boats operating in the South Pacific in the wake of criticisms from several countries in that region of their drift net fishing.

Nine South Pacific nations in a fishery meeting in Fiji last week severely blasted Japanese, South Korean and ROC fishermen for using the "catch-all" fishing practice which, they accused, is endangering South Pacific tuna resources.

An estimated 60 ROC fishing boats are currently operating in South Pacific waters, the officials said. The government will prevent the number from increasing.

**Delegation To Attend ADB Meeting in Beijing**  
*HK0604052289 Hong Kong Commercial Radio  
in English 0430 GMT 6 Apr 89*

[Text] Taiwan will send an official delegation to China for the first time since 1949 to take part in the annual meeting of the Asian Development Bank [ADB] in Beijing.

An official in Taipei said the decision does not imply the island's recognition of the government on the mainland. He said that Taiwan delegates will have no contact with Chinese officials during the 3-day meeting beginning on the 4th of next month.

**Support Growing for Mainland Democracy Spirit**  
*OW0504213689 Taipei International Service  
in English 0200 GMT 3 Apr 89*

[Station commentary by Joanna Fu: "Mainland Students Abroad Support Fang"]

[Text] It's not unusual that support for the prodemocracy movement on Mainland China is pouring in from all quarters. With each passing day, the Chinese Communists find themselves with their backs to the wall, facing more and more dissent, and more and more support for the likes of Fang Li-chih, the astrophysicist who has boldly led the cause on the mainland, and for political prisoners such as Wei Ching-sheng.

In recent weeks, Overseas Chinese scholars have united to sign petitions in support of Fang's prodemocracy activities. They also call for the release of mainland political prisoners, particularly Wei Ching-sheng, the writer imprisoned in 1979, following his leadership of the prodemocracy movement that sprouted in the spring of that year.

Wei's case, and Fang's efforts to win his release, have become international cause celebres. Earlier this week, a petition signed by some 24,000 Overseas Chinese was taken to Peking, only to be confiscated by the Chinese Communists at customs. The petition called for the release of Wei and all other prisoners of conscience in Communist China.

Now it seems Mainland Chinese students residing in the United States are gathering their forces to jump on the bandwagon of support for Fang and Wei.

The students, led by a few brave souls in Chicago, are planning a series of demonstrations outside Chinese Communist consulates in major U.S. cities. The protests will coincide with the 70th anniversary of the May 4 Movement, China's most well-known intellectual-driven movement.

At a protest organized by some of the students earlier in the week outside the Chicago consulate, student leaders said that mainland students are prepared to wage a unified struggle to have Wei and all other political prisoners released.

They said that in spite of his imprisonment, Wei's ideas on democracy continue to thrive and have galvanized and revived the democracy movement in Mainland China. The students urged the Peking regime to abide by the UN Charter with regard to human rights practices.

They called Wei a true patriot, who had paid dearly for his love of country and the welfare of his compatriots. Placards were held up declaring that history will condemn Teng Hsiao-ping, Communist China's paramount leader, for the persecution of Wei Ching-sheng. Others voiced solidarity with intellectuals on the mainland who have bravely stepped forward to advance the cause of freedom and democracy there.

Reports from Peking indicated that Wei is in bad straits, his body withered from 10 years of harsh imprisonment, and his mind wasted by torture and solitary confinement.

Despite the fact that he is said not to be the man he used to be, his spirit of 1979 lives on, and is gaining in strength. This puts Peking between a rock and a hard place. If the movement continues to swirl around Wei, Peking may have no choice but to release him. But if Wei is indeed incapacitated by his imprisonment and ill-treatment, Peking will suffer untold embarrassment. It just goes to show that in the end, the savage dictators can never win. The indomitable spirit of man always comes through.

**Defense Ministry Steps Up Coastal Patrol**  
OW0604054789 Taipei Domestic Service in Mandarin  
2300 GMT 2 Apr 89

[Text] Recently, people from Mainland China have been continuously attempting to enter the Taiwan and Penghu areas illegally. The Ministry of National Defense has

coordinated with the Ministry of Interior, the Police Administration, and other units in organizing a joint inspection group. They ordered the Navy, Air Force, Garrison Command, and Army coastal defense units to step up reconnaissance and patrol of coastal waters and to beef up the coastal guard posts, patrols in ports and river mouths, and coastal monitoring activity to ensure the safety of our territorial waters and military bases.

**Western Caution Toward Gorbachev Urged**

OW0504225989 Taipei International Service  
in English 0200 GMT 26 Mar 89

[Station commentary by Joanna Fu: "Figuring Out Gorbachev"]

[Text] Soviet leader Mikhail Gorbachev continues to pose a major headache for Western strategists. The dilemma is new, and boils down to whether or not Gorbachev is the real thing. It is new because in the past Soviet leaders were cut from the same Leninist to Stalinist cookie. But Gorbachev's style is radically different.

For the better part of 2 years now, Gorbachev has aggressively carried out two earth-shaking campaigns in his homeland. One is perestroika or economic reform. The other is glasnost, which is roughly translated as openness in the West. Gorbachev's sales effort on both of these campaigns have not been limited to a domestic audience. He has also tried to sell his ideas to the West which brings us to the controversy of the matter. Is this effort to convince the West of the genuineness of his campaigns, or mere smoke screen reminiscent of Brezhnev's detente of the seventies? And is Gorbachev merely trying to buy time with the West so as to get his own house in order before retaking the path of imperialism, for so long favored by his predecessors? Or, to give him the benefit of the doubt, is Gorbachev truly a Leninist of a different color, if a Leninist at all?

The point about buying time is serious stuff for Western strategy planners. It becomes all too easy to believe, or want to believe, that Gorbachev is genuinely different, and that he does not have ulterior designs against the West. On the other hand, it would seem that caution is the advisable policy for the West. What if Gorbachev is merely buying time and successfully suckers the West into lower preparedness.

In recent months, Gorbachev has upped the ante of the West's reaction by announcing two major shifts in the military stance of the Soviet Union. On one front Gorbachev has promised to cut his forces in East Europe by half a million men. This, of course, puts pressure on NATO to do likewise. On the second front Gorbachev has announced a major military spending cut which, although good news, would still leave the Soviet Union way ahead of the U.S. and NATO in terms of spending.

Others remind one of Clancy's novel "Red Storm Rising," a fiction which depicts a Soviet onslaught of Western Europe after the West has been put to sleep by Kremlin's propaganda, not too difficult [as heard] from what Gorbachev is offering in real life these days. The stakes involved are too great to risk folly on the part of the West. While it is true that Gorbachev needs to make major structural changes at home to make amends for the tremendous failure of the 70 years of communism, it may also be true that he still retains Brezhnev's appetite for conquest, though he suppresses it now to redirect his resources for domestic purposes.

The most unfortunate thing is that this is all anybody's guess. Caution is the best policy, perhaps mixed with encouragement for his actual reform which, if successful, may negate the Soviet bear's imperialism bent once and for all.

**Economics Minister on Cutting Money Supply**  
OW0504064689 Taipei CNA in English 0517 GMT  
5 Apr 89

[Excerpt] Taipei, April 5 (CNA)—Economics Minister Chen Li-an stressed Tuesday that it is very important to bring down the nation's trade surplus in order to cut the money supply.

The Government has been increasing imports, not restricting exports, to achieve that goal, said the minister.

He pointed out that idle funds grow in direct proportion to the nation's trade surplus. "If we want to stop the idle funds from surging further, we have to know where it is coming from," he said.

"Therefore," Chen added, "it is crucial to effectively bring down the nation's trade surplus," which has been rising at an alarming pace since the country stopped importing gold.

In an interview with public TV, Chen also said that allowing state-run enterprises to list their stock on the stock exchange is a good way to stock up society's idle funds.

Following China Steel's sale of stocks to private shareholders, the Economics Ministry now plans to permit China Petrochemical Development Corp. to sell 20 percent of its shares in fiscal 1990, Chen said. [passage omitted]

## Hong Kong

### Demonstration Commemorates Tiananmen Riots

HK0604052989 Hong Kong *SOUTH CHINA MORNING POST* in English 6 Apr 89 p 5

[By Daphne Cheng]

[Text] More than 200 Hong Kong human rights activists staged an angry protest outside China's representative office yesterday to commemorate the 13th anniversary of the Tiananmen riots in Beijing.

Shouting "down with the one-party rule" and "rule by the people and democracy," they demanded the immediate release of political prisoners in China, including prominent democrat Wei Jingsheng and Hong Kong resident Lau Shan-ching.

While calling for greater democracy and civil liberty, they said delegates to the Chinese National People's Congress (NPC) should be elected in a democratic way.

The three-hour protest, organised by the April 5 Action Group, also condemned last week's seizure by Tianjin customs officials of a petition containing 24,000 signatures addressed to the NPC Standing Committee.

Although the NPC standing body on Tuesday accepted the petition, they insisted China should apologise.

The organisers of the protest included Tianjin delegation members, the director of the Christian Industrial Committee, Mr Lau Chin-shek, and Kwai Chung District Board member Mr Leung Yiu-chung.

Holding placards and banners, the group marched from the Star Ferry concourse in Central to the NEW CHINA NEWS AGENCY headquarters in Happy Valley.

The protest reached its climax when they gathered outside the NCNA offices and tied pieces of white cloth around a chain to symbolise the plight of political prisoners in China.

Then they handed a letter conveying their demands to an NCNA official.

A licence for yesterday's petition was approved on Tuesday but only handed over by the police to the organisers shortly before they gathered at the Central pier.

The protesters criticised the act as a means of suppressing public meetings.

They said they had informed the police about their protest a couple of days ago.

But Divisional Commander (Waterfront) Anthony McLoughlin said the move was to make sure the demonstration was carried out orderly [as published] and the public was not affected.

"We have been very flexible in giving them a licence which they did not apply for. We want to give them every single assistance," Mr McLoughlin said.

He said the licence was issued on Tuesday but the group did not pick it up.

The law on public meetings stipulates that any gatherings attended by more than 20 people must seek a licence.

As the group marched they distributed leaflets to passers-by calling on them to join in their action.

### Petition Seizure Due to 'Communications Gap'

HK0604052789 Hong Kong *SOUTH CHINA MORNING POST* in English 6 Apr 89 p 5

[From Lai Pui-yeo in Beijing]

[Text] A senior Chinese official has said that the seizure of a petition from a group of Hong Kong human rights activists was due to a "communications gap" and that "nobody should be held responsible".

Last week, a seven-member group who was to hand to the National People's Congress (NPC) a petition calling for the release of political prisoners in China, had the document impounded by Tianjin airport customs.

Mr Li Hao, deputy director of the Hong Kong and Macao Affairs Office (HKMO) of the State Council, said he had compiled a report on last week's incident for the State Council.

Mr Li said the Customs Bureau had already relayed the petition, which bore 24,000 signatures, to the Standing Committee of the NPC.

However, other printed material brought in by the group, including copies of human rights covenants, open letters and publications, were still at the Customs Bureau awaiting collection.

Mr Li said Hong Kong people seeking to petition Beijing should give advance notice to relevant Chinese offices such as the NEW CHINA NEWS AGENCY and the HKMO, "so that things can be smoothly arranged".

He also said his office, which was not forewarned of the petition, could not act in time to smooth the way for the activists.

The Customs Bureau had acted according to long-established regulations, Mr Li added.

**Rights Group Seeks UK Parliament Hearings**  
**HK0604052589 Hong Kong SOUTH CHINA**  
**MORNING POST in English 6 Apr 89 p 5**

[By John Tang]

[Text] A local human rights group has asked the House of Commons' Foreign Affairs Committee [FAC] to hold a second hearing in Hong Kong after its fact-finding mission to China on the implementation of the Sino-British Joint Declaration later this month.

In a submission to the FAC, the Professional Lobby Group said they hoped Hong Kong people would be given a chance to respond to views that might be made by Chinese officials.

The 11-member FAC delegation will hold hearings in Hong Kong during its stay here from April 17 to 21, before flying to Beijing for another four-day visit.

A spokesman from the Chinese embassy in London said yesterday they had yet to work out an itinerary for the parliamentary committee.

The MPs will hear evidence from the Governor, Sir David Wilson, in London this summer before concluding their investigation.

There is, however, no plan for the parliamentary committee to listen to local people's views immediately after its Beijing visit.

The lobby group's request for a second hearing was one of the suggestions contained in a 300-page submission given to the FAC at the end of last month.

The group warned of possible social chaos in the territory if the 3.5 million local British department territory passport holders were not given the right of abode in Britain.

"The hour is late. Unless Parliament is prepared to take courageous and dramatic action now, Hong Kong will become ungovernable and chaos will ensue," it said.

The group also asked Britain to pay greater respect to the rights of Hong Kong residents.

The submission says: "The Hong Kong people are human beings with human rights, not objects to be traded like precious Ming vases. They are not to be handed over without the right to determine for themselves whether they wish to be Chinese nationals."

"We therefore call for the restoration of full British citizenship with the right of abode in the United Kingdom for all holders of British dependent territory citizens and British nationals (overseas) passports.

"Such a step will enable them to face the future in Hong Kong with confidence, knowing that, if the worst comes to the worst, they will have a safety exit."

The lobby group is comprised of lawyers Ms Gladys Li, Mr Winston Poon and Ms Anna Wu; journalists Frank Ching, Emily Lau, and Mary Lee; publisher Mr John Chan Koon-chung, teacher Mr John Liu, commodities traders Ms Christine Loh, doctor Anthony Ng and housewife Mrs Teresa Ma.

They called for amendments to the revised Basic Law draft so that the future legal system would not be encumbered by socialist practices and institutions after the 1997 handover.

The activists also asked for a Bill of Rights for Hong Kong and the establishment of a truly representative government.

Although Britain promised to maintain Hong Kong up to 1997, the reality was that the Chinese Government was in real control, they said.

"Not only are the British not in control, neither are the local people. 'Hong Kong people governing Hong Kong' is a slogan no longer mentioned by Chinese officials.

"The United Kingdom Government is in the process of handing the people of Hong Kong over to a communist regime, bound hand and foot. It is not too late to untie the knots which bind them."

**Governor Postpones Washington Trip**  
**HK0604053389 Hong Kong SOUTH CHINA**  
**MORNING POST in English 6 Apr 89 p 2**

[From Michael Chugani in Washington]

[Text] A planned trip to the United States by the Governor, Sir David Wilson, to meet the Bush administration and bring it up to date on political and economic developments in Hong Kong has been postponed indefinitely.

Sir David had planned to visit Washington and New York in June for talks with senior administration officials as well as congressmen dealing with Hong Kong matters.

The schedule had also included a stopover in Canada.

But it appears the Governor will not be able to push his free trade message in North America this summer.

Other commitments in June, including trips to Geneva for the international conference on Indochinese asylum-seekers, and London for the Foreign Affairs Select Committee hearings into Hong Kong, have forced Sir David to scrap plans for the U.S. visit.

Instead, he will send Secretary for Trade and Industry John Chan Cho-chak in his place. Besides Washington and New York, he is likely to stop off on the west coast and visit San Francisco.

It will fall right behind another overseas trip by Mr Chan. In May, he will lead a government delegation to Beijing as part of an exchange program between Hong Kong and China.

While in the United States, Mr Chan will discuss Hong Kong issues such as progress on the drafting of the Basic Law, the importance of free trade to Hong Kong, and the problem of Vietnamese boat people.

Sir David may still decide to reschedule a U.S. trip later this year, possibly in October.

Sir David is keen to visit the U.S. and Canada, which are not only important trade partners for Hong Kong but countries with growing communities of Hong Kong immigrants.

Sir David's last trip to the U.S. coincided with the October 1987 global stock market collapse.

His free trade message to the Americans was marred by the Hong Kong Stock Exchange's decision to close the stock market for four days.

**PRC Monitors Local Economy, Politics**  
HK0604074389 Hong Kong HONGKONG STANDARD  
in English 6 Apr 89 p 2

[By Yau Shing-mu in Beijing]

[Text] Hong Kong's property market and financial situation are among areas being monitored by the Chinese government.

The monitoring is largely done by the research institute attached to the Hong Kong and Macao Affairs Office (HKMAO) under the State Council.

The institute's deputy director, Mr Chen Baoying, said yesterday the studies fell within two basic areas: how to preserve the territory's prosperity and stability in the run-up to and beyond 1997 and how to improve Hong Kong's role in the modernisation drive.

Two specific subjects are how to forge better economic and trade links between Hong Kong and the mainland for mutual benefits and whether Hong Kong would and should become a principal entrepot for Chinese goods, he said.

Mr Lu Ping, deputy director of the HKMAO, said the researchers were entitled to their views which did not necessarily reflect the official stand.

"Every year we review Hong Kong's economy and do some forecasts ourselves. And we've had frequent exchanges with a number of Hong Kong establishments like the Hong Kong Bank, the Bank of China, the China Resources, and the XINHUA News Agency's Hong Kong branch," he said.

Projects are either commissioned by the HKMAO or initiated by the researchers. The results are referred to the HKMAO and other authorities concerned, he said.

Though their main concern was Hong Kong's economy, politics and laws are also studied. Mr Chen said almost half of the institute's staff of about 40 were researchers.

"Most of them have been trained in the discipline of international politics and economy. Their minimum qualification is a master's degree," he said.

Mr Chen is an economist specialising in world economy. He had worked in the China Resources Company for seven years in Hong Kong before being transferred to set up the institute three years ago.

The institute is headed by Mr Luo Jiahuan, who was transferred from the Ministry of Foreign Affairs. Mr Luo had been involved in the Sino-British negotiations on the future of Hong Kong.

**Hong Kong Chinese Organs Slow Fund-Raising**  
HK0504135489 Hong Kong ZHONGGUO TONGXUN  
SHE in Chinese 1021 GMT 31 Mar 89

[Commentary by Yu Cheng (6735 2052): "Chinese Organs in Hong Kong Slightly Slow Down Raising Funds"—ZHONGGUO TONGXUN SHE headline]

[Text] Hong Kong, 31 Mar (ZHONGGUO TONGXUN SHE)—Fund-raising activities in Hong Kong by PRC organs to develop all kinds of projects are still fairly frequent, and the importance of the financial services of Hong Kong banks can be seen. However, the growth rate of the amount of funds raised in Hong Kong by mainland organs in the last quarter shows a slight slowdown. It is believed that this is probably connected with China's straightening out of its economy. Judging from the fund-raising business carried out by banks for the mainland organs, it does not seem that China has retrenched very greatly in straightening out its economy, as generally thought. China is still developing its economy rhythmically.

According to statistical figures of the Monetary Affairs Branch of the Hong Kong Government, the cumulative total of funds raised by Hong Kong banks for PRC organs in the last quarter of last year was 37.1 billion Hong Kong dollars, an increase of 14.5 billion dollars over the same period in the preceding year, when it was 22.3 billion dollars. The annual growth rate was 66.45 percent. As far as the business of local banks of all categories is concerned,

the range of this increase might be rated as a good performance, but this performance was somewhat poorer than that in the previous several quarters. In fact, most of the annual growth rates of the loans provided by banks for their nonbanking customers of the mainland doubled nearly every quarter in the previous 3 or 4 years, and even the annual range of increase in the third quarter of last year was 102.99 percent.

From the monetary statistical figures, we can see that China's readjustment of its economic activities had really hardly begun by the end of last year, and the demands of economic development still existed during this period, but the range of increase was slower than before. This is obviously a rational and gratifying phenomenon. After rapid inflation for a certain period of time, adjustment and consolidation will emerge in any economic system, and China is no exception. In the initial period of straightening out the economy, the amount of funds the mainland organs needed to raise in Hong Kong slightly increased, and this fully showed that China's economy was still developing and not retrogressing.

Over the past 2 or 3 years, China's economy has developed fairly quickly, and all kinds of economic activities in society flourished so that the daily life and material conditions of the people are higher than before and the situation of the unbalanced allocation of resources and barely controlled inflation has gradually taken shape. How to utilize rationally all resources and make them produce

better benefits for economic development and inhibit the continuous deterioration of inflation have now become two primary economic subjects of the mainland.

The question of inflation on the mainland has drawn people's attention. The factor causing the deterioration of inflation is the excessively rapid expansion of internal demand. This high consumer demand takes the people's breath away. It is estimated that China will continuously tighten control over imported consumer goods in the future and limit the fund-raising activities of all organs for a certain period of time. Nevertheless, China is still adhering to the economic policy of opening up, and its economy will continuously develop, but it will develop more rhythmically than before. Therefore, there are bright prospects for the China trade of all sectors in Hong Kong, including banking, monetary affairs, trade, and shipping.

As far as banking is concerned, it is believed that the funds raised for the organs of the Chinese mainland to develop projects will still continue to grow, but the range of increase in the next few months will slow down because the mainland is readjusting its credit structure and the degree of retrenchment of the projects which are conducive to exports to earn foreign exchange is relatively small. Regarding the entrepot trade Hong Kong performs for the mainland, it is estimated that if the effects of retrenchment are not too serious, the mainland will still want to import all kinds of materials and also want to export goods to earn foreign exchange. Likewise, the factories set up in the mainland by Hong Kong firms need to import and export raw materials, equipment, and products.

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